

Project Performance Evaluation Report “PPER”

Property Tax Project- Jordan

Report submitted by

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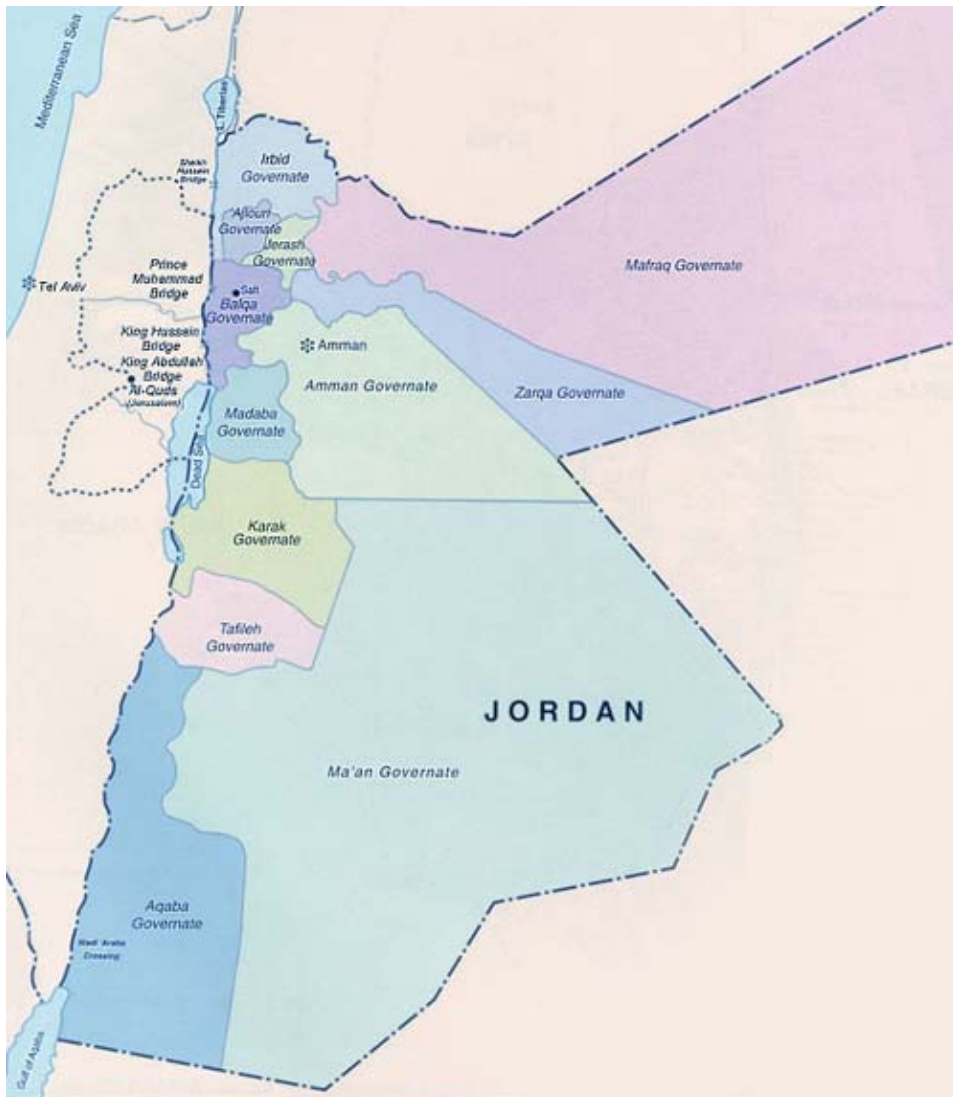
Glossary

Achievements:	Are the outcomes achieved by the project staff during the last period of the project.
AC (Appeal Committee):	A committee which should be formulated in each municipality for adjudicating the evaluation of the EC in case of people objections.
Conclusion:	Is a final proposition, which is arrived at after the consideration of evidence, arguments or premises.
Findings:	The conclusions of an assessment, evaluation, audit, or review that identify the most important issues, problems, or opportunities within the area of investigation.
GDP:	The total market value of all final goods and services produced within a country in a given period of time (usually a calendar year).
Outcome:	Is A description of the intended result, effect, or consequence that occurred from carrying out a program or activity.
PDA:	A small portable computer designed to be held in one hand; used to perform specific tasks, such as creating limited spreadsheets or storing specific data.
Recommendations:	Are actions the examiner believes necessary to correct existing conditions or improve operations.
Risk:	The probability for realization of unwanted negative consequences or events.
Satisfaction:	Is a measure of the contentment degree after performing a set of activities.

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Map of Jordan per Governorates



Abbreviations and acronyms used in the report

AC	Appeal Committee
ASYCUDA	Automated SYstem for CUstoms DAta
EC	Estimation Committee
E- Gov	Electronic Government
FC	Financial Center
GDP	Gross Domestic Product
ICDL	International Computer Driving License
L&S	Land and Survey
MOF	Ministry of Finance- Jordan
MOMA	Ministry of Municipal Affairs-Jordan
NIN	National Identity Number
NPC	National Project Coordinator
PDA	Personal Digital Assistant
PSTN	Public Switched Telephone Network
PTS	Property Tax System
SSN	Social Security Number
UAE	United Arab Emirates
UN	United Nations
UNDP	United Nations Development Program
UNCTAD	United Nations Conference on Trade and Development

1. Introduction

UNDP is the United Nations Development Programme, an organization advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. UNDP is on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and wide range of partners. UNDP is the largest source of grant assistance for development in the UN system. This Body of the United Nations set up in 1965 to promote human development in developing countries through poverty alleviation, environmental regeneration, employment creation, and advancement of the status of women, and provides grants to developing countries.

As a multi-sector development agency, UNDP offers support to Jordan in a broad range of fields. During the period of the last Country Cooperation Framework 1998-2002, a total of 55 projects in the value of \$24 million were implemented or approved. For the ongoing 2003 -2007 Country Program cycle \$27 million is required to achieve the program objectives. The UNDP Jordan's core program funds and the resources from the thematic trust funds are used together with resources from the government and bilateral donors. The government is the largest contributor to UNDP program in Jordan.

Jordan ranks amongst the middle income economies of the world with a GDP per capita of about Jordanian Dinar 1207 in 2001 with an estimated economic growth in 2001 of 4.5% and in 2002 of 5%. While the total revenue receipts in Jordan increased from 24% of GDP in 1988 to about 30% of GDP in 1994, the increase primarily reflected frequent discretionary revenue raising measures, since the structure of the tax system remained inelastic with respect to income. The improvement in the Tax situation was attributed to the tightening of the administrative procedures for collection of taxes and arrears. Since 1994, however, the share of Government revenues to GDP had remained virtually unchanged, amounting in 2001 to about 30%. Compared to GDP of Jordan at JD 6.2 Billion in 2001, the collection of JD 42 Million through property taxation in 2001 appears very insignificant and only accounts for about 2% of total central Government revenues. As of the end of 2001, total of arrears amounted to JD 108 million and are increasing by about JD 10 million per year.

1.1 Benefits of Tax System

Funds provided by taxation have been used to derive the following benefits:

1. **Revenue** - Taxes raise money to spend on roads, schools and hospitals, enforcement of law and public order, protection of property, economic infrastructure, public works, social engineering, and on more indirect government functions like good regulation or justice systems.
2. **Redistribution** - This means transferring wealth from the richer sections of society to poorer sections, and this function is widely accepted in most democracies, although the extent to which this should happen is always controversial. Taxes are also use to fund welfare and public services. These services can include education systems, health care systems and pensions for the elderly, unemployment benefits, and public transportation. Energy, water and waste management systems are also common public utilities.
3. **Repricing** - Taxes are levied to address externalities: tobacco is taxed, for example, to discourage smoking, and many people advocate policies such as implementing a carbon tax.

With such benefits and advantages gained from tax system, the UNDP government took an important & innovative step forward to find new methods for the growth and improvement of cities and villages in Jordan. In order to streamline the current tax system that is subject to inefficiencies, the UNDP has decided to add value and enhance the system for productive development.

1.2 Barriers & Solutions

The tax system in Jordan suffers from inefficiencies resulting from cascading, widespread exemptions and ineffective and inefficient tax administration. As part of its immense support for the Government of Jordan, UNDP worked closely to enhance government operations through a professional, innovative, and well functioning Property Tax System “PTS” by building and strengthening the capacity for improved property tax management and collection in most counties of Jordan.

The project aims at developing an efficient and equitable PTS, contributing revenues for economic and social development in Jordan. As per the project agreement signed on March 2003 between Government of Jordan and UNDP, an evaluation is mandatory to be carried out to commence with the second stage of the project. Consequently, this report of evaluation will ensure that the property tax project is performed in accordance with project agreement with UNDP by addressing to vital specified issues like developing a competent,

equitable and well implemented Property Tax System (PTS) including a requisite supporting information technology system catering to the economic and social development needs.

The evaluation has been focused on highlighting the performance, successes, failures, strengths, and weakness of the project. Recommendations underlining the corrective actions required and advice on an exit strategy has further been presented to guarantee that a firm project evaluation has been conducted on behalf of the evaluation team. Focused assessment has been performed to seize the main lessons that can be drawn and stressed upon the potential risks involved for the project.

The examiner has adopted methodology of evaluation that is based on developing evaluation criteria and assessment methods compatible with these criteria. Meetings and interviews has been conducted on fields with different stakeholders of the project. Furthermore, the several documents have been provided to the examiner by the tax National Project Coordinator (NPC) which supports the achievements and outputs delivered by the project. These documents include the agreement with UNDP, Project reports, training and workshops conducted presentation of achievements, and some other documents.

The structure of the report is as pursues:

- Introduction
- Executive Summary
- Project Evaluation & Analysis

The evaluation did not cover any legal situation for the new tax system. However, the evaluation in this field is assessed based on stakeholders' satisfaction and progressions achieved toward amending the legal structure for this new System. Similar to the legal situation, the IT system will not be assessed in terms of technical side, the evaluation at this field focused only on ensuring the achievements of suitable IT system and the technical support to assist the implementation of the new methodology.

The evaluation was carried out from November 9, 2007 until November 30, 2007 by Hadeel Al Masri (Project Examiner).

2. Executive Summary

Unlike most developing countries where property tax is levied and collected by municipalities, in Jordan the property tax used to be collected by the Ministry of Finance (MOF) which retains 10% of the collection to cover costs of collection and municipalities re-distribute 90% of the collection. These revenues amount to 28% of the total revenues of the municipalities. While the total revenue receipts in Jordan increased from 24% of (Gross Domestic Product) GDP in 1988 to about 30% of GDP in 1994, the increase primarily reflected frequent discretionary revenue raising measures, since the structure of tax system remained inelastic with respect to income. The improvement in the tax situation was attributed to the tightening of the administrative procedures for collection of taxes and arrears. Since, 1994, however, the share of government revenues to GDP has remained virtually unchanged, amounting in 2001 nearly 30%.

The principal units which are involved in the overall property tax administration system are:

- Planning and Coordination Committee
- General Budget Department
- Secretary of the Ministry of Finance

The Ministry of Finance (MOF) is responsible for the main property tax activities. The others involved in the subsystems of assessment and collection at operational level are the Property Tax Directorate and the regional Financial Centers (FCs) in the Governorates.

2.1 Project Agreement & Objectives

An agreement for the Property Tax System (PTS) has been signed on 6th May 2003 between Jordanian Government & United Nations Development Programme. The estimated duration for the completion of the project being five years. A Steering committee founded includes thirteen eminent members and is presided by Secretary General of the MOF. All project objectives and are represented as per project strategy and structure.

The project aspires to create an effective PTS contributing to generate revenues for economic and social development in Jordan. During this tremendous change the following factors were considered:

- The laws, regulations, instructions and guidelines of tax law were amended and revised by which to include court appeal mechanism.
- A new information technology system was developed to support the new tax system.
- Furthermore, IT hardware, softwares and peripherals were provided

- Extensive training and staff preparation took place to qualify them to utilize this system.
- To ensure public acceptance; public awareness campaigns about the new system have to be carried out.

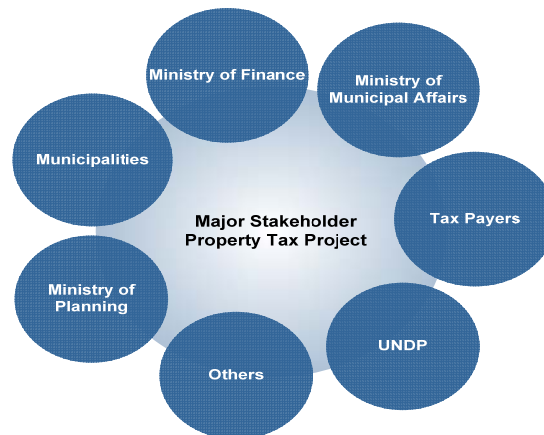


Figure 1: Major Stakeholder/ Property Tax Project

Hence, the following objectives are recognized and targeted in order to generate the desired pre-stated outcomes:

- Modify the necessary legal framework of the property tax;
- Establish an integrated unified database for property tax management;
- Train staff members of the FCs and municipalities on property tax management;
- Reorganize the managerial structure;
- Improve the quality and performance of service given to citizens;
- Authorize the municipalities to collect their own property tax;
- Adopt the methodology of the one stop shop at any tax center. Customers are being able to pay taxes for their different geographic properties at any center.
- Control & monitoring the property tax revenues;
- Propagate public awareness in order to expose the property tax goals to the citizens.
- Motivate staff and enhance their innovation;
- Ultimately, it is expected an increase the tax collection by a rate of \$7.5 million per year.

2.2 Project Strategy

The project consists of six principal components:

1. Legal
2. Information system
3. Organizational
4. Staff Training

5. Public Awareness Campaign
6. Quick results and society impact

The following graph illustrates the principles relationships, conceptually and broadly time-wise, between the components

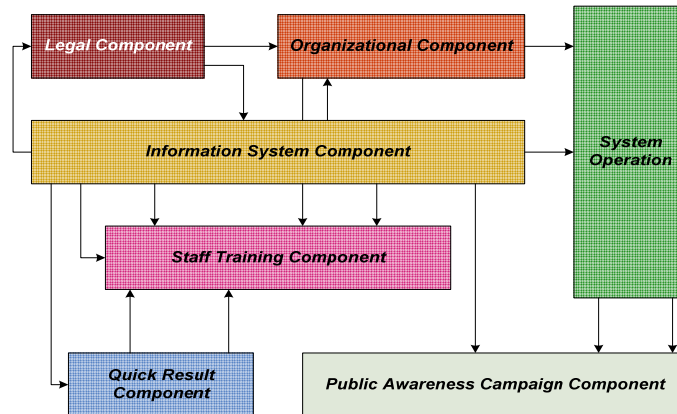


Figure 2: Project Strategy Components

2.3 Project Cost and Schedule

As indicated above the project is divided into two stages, the

First stage: the duration of this phase is 4 years that focus on implementing the system in 34 Center and Municipality with an allocated budget equal for \$ 2,326,800.

Second stage: will include the rest of the municipalities that are not linked to the system.

The funding sources for this project is divided between three donors including MOF, UNDP, and (granting parties through) Ministry of Planning. The funding of the project (\$) is allocated and distributed as shown in the following figure.

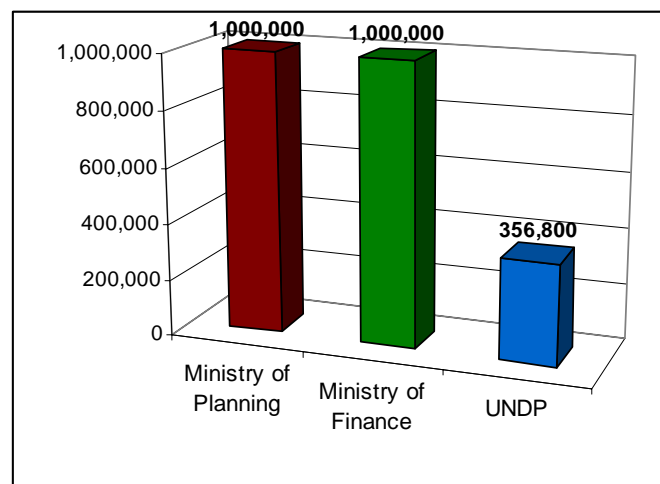


Figure 3: Initial Donors of the property tax project

The first stage of the project is expected to be finalized by end of 2007. The commencement of the second stage in 2008 depends on the success of phase one and availability of funding. In case of availability it will be extended to 2010.

2.4 Essence of the New System

The following 8 modules are linked together to construct full system:

- Security & Privileges Module;
- Basic Data Module;
- Assessment Module;
- Collection Module;
- Internet Module;
- Public Service Module;
- Audition & Inspection Module;
- Accounting Module.

The new system was designed based on new technologies that include adopting latest development in IT field. The municipalities will be linked to (Financial Centers) FCs, (Ministry of Finance) MOF; Ministry of Municipal Affairs (MOMA) will be linked and other concerned governmental firms by using leased lines and regular internet lines in some areas.

2.5 Project Evaluation

The project evaluation was performed based on a set of criteria delivered by the examiner and approved by the UNDP. These evaluation criteria include the following:

1. Output Achievements;
2. Stakeholders Analysis;
3. Operations and Staff Efficiency;
4. Implementation Results;
5. Project Management Approach & Communication;
6. Commitment to the Allocated Project Budget;
7. System Reporting and Security;
8. Achievements Comparable with similar Institution;

Each evaluation criteria is linked to at least one measurement method that acts as performance indicator to measure the gap allocated with this criterion. By end of each evaluation criteria, findings and gaps will be elucidated correlated with recommendation and suggestions to cover the gap.

2.6 Methodology of Evaluation

2.6.1 Assessing Requirements

During the assessment, the examiner primarily ensured that the fundamental requirements of the project are appropriately assessed and analyzed as they would encompass determining the needs or conditions vital for the projects success and highlight if any drawback, loop holes, conflicts or flaws prevail in the new tax system for future enhancement. Prime emphasis was given to ascertain that the assessed requirements are actionable, measurable, testable, related to identified municipality needs/opportunities and defined to a level of detail sufficient to depict the triumphing prospect and risks involved in the project.

The examiner ensured during the assessment that the objectives of the project are delivered in accordance with those proposed, assessed the overall impact on the tax system, determined stakeholder satisfaction and evaluated contentment of the staff trained on the system.

2.6.2 Focused Aspects

- a) Identify the Stakeholder - Recognizing the main stake holders who will be directly or indirectly impacted by the new system.
- b) Fix system boundaries - This initial step helped in identifying how the new system integrates with the municipalities processes, how it fits into the larger picture and what are its scope and limitations.
- c) Requirements elicitation - Information was gathered from the multiple stakeholders indicating what their requirements are from the new system and what they expect the system to accomplish.
- d) Acknowledging the fact that implementation of new systems can induce change in the working environment, relationships between employees and an organization's efficiency, the examiner focused on identifying all the stakeholders involved in the project through personal meetings and interviews. Evaluation of their needs, views, and suggestions was done and it was also ensured that they understand the implications of the new systems. Hence, verifying that the project is not subjected to being a critically vulnerable venture.
- e) References Material used – The examiner was provided with relevant support documents from the municipality that included the following:
 1. Project team member profiles and credential.
 2. Property Tax Draft Law.
 3. Samples of Correspondents.

4. Standard Organization Structure for Property Tax Department within any municipality.
5. Staff and department role functions manual.
6. Agreement between the Property Tax project and Department of Lands and Survey to exchange property transaction electronically.
7. Estimation & Collection policies & procedures.
8. Manual of Property Tax inside municipalities and related legislations.
9. New legal structure that include draft of Buildings and Lands Law within the territories of the Greater Municipality and Municipalities.
10. Basics and Instructions of Property Tax Estimation inside Municipality Areas.
11. Training Register.
12. Sample of Proposals.
13. Sample of deliverable from the system.
14. IT system "briefed" print screened booklet.
15. Annual Progress Reports 2004 – 2007.
16. Project Support personnel for the period 2003-2007.
17. Project purchases of the years 2003, 2004, 2005, 2006 and 2007.
18. Budget Revision.
19. Budget 2004-2006.
20. Property Tax Budget 2007.
21. Government Cost Sharing
22. Tentative Evaluation Plan
23. Mandatory Evaluation – Terms of Reference

Several other pertinent support documents were provide by NPC to the examiner highlighting the achievements and outputs delivered by the project that proved beneficial in a detailed analysis and study of the tax system and the laws governing it.

2.6.3 Evaluation Criteria

It is deemed important that the evaluation criteria clearly reflects the Municipality's needs and measures the pre-agreed milestones that is achieved by the Property Tax Project committee and team in different areas according to the signed agreement.

Developed evaluation criteria will help the Municipalities:

- Assessing strengths and weaknesses of the existing system and ultimately use that assessment in making sound decision valuable for further improvement;

- Providing consistency, discipline and rationality in the tax related activities undertaken by the municipality and responsibilities of its senior management and employees to the adhere to the new system for professionalism and improved efficiency;
- Assessing the similarities and differences between the tax system in Jordan and those practiced in foreign countries;
- Focusing on crucial areas like Project Budget, Security Reporting, Operational Efficiency, Project Management Approach and deliverables.

The evaluation criteria provided by the examiner was tailored to each acquisition and included the vital factors having impact on the project and its outcome. The draft for the evaluation criteria was delivered to the client. After a thorough review the client responded with their feedback and amendments that were made pertaining to some stated issues.

2.6.4 Evaluation Templates & Checklist

The examiner proceeded with developing a list of performance criteria and certain evaluation templates that would aid while conducting onsite/practical assessments. The checklist is a distillation of valuable lessons learned and points observed through out the assessment.

Surveys for different stakeholders mainly being tax payers, municipalities, ministers and employees were also developed and performed to assess their satisfaction and opinion about the new system.

2.6.5 Meetings and Preliminary Comments

The examiner met with various stakeholders, administration & finance officer, IT professionals etc so as to discuss the performance of the newly implemented tax system, receive a feedback and analyze how the system is affecting the performance and efficiency.

Meetings with various dignitaries were conducted which include; the Minister of Finance, General Secretary of Municipal Affairs and General Secretary of Finance Ministry. Visits were also made to the Department of Planning and Survey/ IT department and Jordan Custom Department. The examiner's comments about the meetings and recommendations are included within the report.

Also brief were given to UNDP officials by end of the visit.

2.6.6 Evaluation Report

The evaluation report is prepared based on the discussion conducted on the preliminary report submission as well on the results delivered from the analysis of surveys and questionnaires of the stakeholders.

The report includes stages and activities performed during the overall period of the project, analysis of surveys and questionnaires, resultant outcomes of the project, finding, lessons, and recommendations.

2.7 Summary of Evaluation

The following matrix signifies the summary of evaluation based on the pre-stated criteria. This matrix elucidates the performance based on each criteria of evaluation.

Criteria of Evaluation	Performance Rating				
	5	4	3	2	1
1. Output Achievements			2.5		
1.1 Legal Framework		4			
1.2 Property Tax Information System	5				
1.3 Organization & Administration		4			
1.4 Staff Training Program			3		
1.5 Public Awareness Campaign					1
1.6 Quick Results Yielding Activities				2	
2. Stakeholder Analysis		4			
3. Operations & Staff Efficiency		4			
4. Implementation Results			3		
5. Project Mgmt. Approach & Communication:			2.5		
6. Commitment to the allocated project budget			3		
7. System Reporting & Security	5				
8. Achieves Comparable with similar Institutions		4			

- 5 signifies outstanding performance
- 4 signifies satisfactory performance
- 3 signifies moderate performance
- 2 signifies poor performance
- 1 signifies unsatisfactory performance

3. Project Evaluation & Analysis

The assessment and evaluation of the property tax project was mainly based on the pre-identified criteria. Each criterion was measured based on evidence delivered, surveys, and actual achievements delivered by the project.

On site visits and meetings was conducted with project stakeholders to assess the project on field and ensure that all deliverables are practically achieved by the project team. However, surveys and questionnaires were distributed for the Tax payers, Municipalities, and tax payers. The analysis of these surveys will be elucidated in this report.

3.1 Output Achievements

The main objective of the tax project is to generate an efficient, equitable, and well functioning PTS in place, contributing revenues for economic and social development in Jordan. As any evaluation mission, the main focus will be on the delivered output and achievements rather than the in-process activities and operations, but without ignoring other factors.

These criteria will focus on the achievements and determine whether the project will achieve the identified objectives and goals. The annual, quarterly reports, presentations, and other documents will support in the study of the attained outputs and their delivered satisfaction.

The objectives of the project are as stated in the following table:

Immediate Objective	Targets
1. Legal Framework	1.1 Amendment of legal framework for the property tax
	1.2 Preparation/adoption of modified instructions & guidelines
	1.3 Establishment of a court appeals mechanism
2. Property Tax Information System	2.1 Design & construction of tax information system
	2.2 IT support- computer hardware & software development
3. Organization & Administration	3.1 "System Owner"- functions, responsibilities, & duties, etc
	3.2 Data capture- functions, responsibilities, & duties, etc
	3.3 Data base contents, use, access limitations, security
	3.4 Technological support- functions, responsibilities, & duties
	3.5 Organization, administration & operation manual
4. Staff Training Program	4.1 Implementation of a program for awareness creation
	4.2 Development of a comprehensive training program
	4.3 Implementation of the training program

Immediate Objective	Targets
5. Public Awareness Campaign	5.1 Design & implementation of public awareness campaign
	5.2 Evaluation of the efficiency and impact of the campaign
6. Quick Results Yielding Activities	6.1 Establishment of staff incentives and reward system
	6.2 Simplifications of Procedures
	6.3 Lowered costs, increased revenues, better services activities

3.1.1 Immediate Objective 1: Legal Structure

Definition: *The regulatory framework for the property tax in Jordan amended or, if deemed necessary, more radically changed.*

3.1.1.1 Target: Amendment of legal framework for the property tax

In legal situation and regulatory framework, the following improvements have been achieved:

- A dedicated Committee has been formed for reviewing and analyzing of the building and Land Tax Law within the Municipality Areas No. 11 of 1954, Tax Regulation No. 3 of 1988, the public sewage laws, viz. laws No. 12 and 48 of 1977, and the Water Authority Law No. 18 of 1988. An extensive study has been performed for the pre-stated laws, and the following changes to the law have been executed:
 1. Merging of taxes of land, buildings, education, and sewerage taxes in one combined tax estimation.
 2. The equation of the tax is estimated based on the building whether it is residential, commercial, or industrial. It has been modified to be estimated by special committee to be chosen by Finance Minister.
 3. Exemption has been modified to cover only 50% of all taxes.
 4. Limiting the promotional discount to the first four months of the year only; that if the tax is being paid during January or February the discount will reach 10%, but if the tax is being paid during March or April from same financial year, the calculated discount will be 6%.
- The final drafted law (refer to appendix 02) has been submitted to the council of ministers to be assessed and reviewed by legislation bureau. In later stages the law will be submitted for Council of Ministers for approval.
- The new drafted law mentions that the Minister of Finance has the authority to amend or change percentages of taxes based on inflation, economic conditions without going back to the legislative authority.

- The project has completely achieved translation of the final draft law.

3.1.1.2 Target: Preparation/adoption of Modified Instructions & Guidelines

Under the target of Instructions and guidelines modification, the following achievements have been attained:

- An agreement has been signed with Ministry of Municipal Affairs by which the tax payment authorities will be transferred to MOMA.
- The due taxes (Property Tax, Education Tax, and Sewerage Tax) are been unified as one percentage as well as penalty and discount exemptions have been also unified.
- One Estimation Committee (EC) at least was formed on each municipality for evaluation and appraising properties to include at least two members. The Chairman should be an employee of the municipality, and the other an independent.
- Drafted instructions, procedures and guidelines have been developed that cover all issues related to the tax system including Estimation Manual, Guidance of Collection and Realizing Taxes, Property and Building Taxes System and its correlated Legislations, and other posters, manuals, and guidance (refer to Appendix 06).
- The instructions, procedures, and guidelines have been finalized and approved by different authorities (refer to Appendix 06).
- Numerous meetings and communications have been conducted between the project staff with MOF, MOMA, and other parties involved. Different memos are provided in Appendix 03.
- MOF is enduring with transferring responsibility of tax collection to Municipalities. 35 agreements were signed from the date of project initiation.

3.1.1.3 Target: Establishment of a court appeals mechanism

- Drafted amendments have been performed by a specialized legal examiner, the appeal court suggestion is delivered to be reviewed and studied by Ministry of Justice.
- The appeal courts structure has been defined, required laws have defined, documentary support has been performed, and new appeal procedures have been developed and implemented by the new system. (Refer to appendix 02 and 06).

- Appeal Committee has been changed as per the previous law, and substituted by Appeal Court which is in charge for judging different objections delivered to ensure a high level of justice and credibility. This court of appeal is connected with the ministry of Justice and the Jordan Judicial system.
- The examiner has noted that the court's established procedures are in place within the new IT system and in different manuals and reports.

Conclusions and Recommendations

- An extensive study has been performed for the project. Several analyses of the current procedures and guidelines have been carried out and a drafted copy of the law has been prepared. These analyses are accepted and satisfy the required necessities. However, further analysis and instructions need to be carried out by governmental firms to ensure smooth and adequate implementation of the new system.
- The nature of governmental procedures and overall legal framework in Jordan is considered as a hindrance for proceeding with the amendments on the tax law. However, more efforts have to be exerted from the project team to achieve a correct legal framework for this issue. The stakeholders of the project represented by MOF and Ministry of Planning have to grant a more extensive support for the legal framework of the taxes.
- The appeal court suggestions should be reviewed and authenticate by Ministry of Justice to ensure conformity with the legal situation in Jordan.
- The drafted law is still pending and required the parliament approval.
- The new system is externally facilitating the process of paying taxes on the public as well as for the municipalities by new automated system reflecting the latest development in the IT field.

Based on the analysis of the pre-stated achievements and in comparison with those desired as per project agreement, it is suggested to bridge the gap with the legal framework of the new system to expedite the approval of the final drafted law for approval of Parliament and ratification by the King.

3.1.2 Immediate Objective 2: Property Tax Information System

Definition: A functional property tax information system with a requisite supporting information technology component designed, constructed, and implemented including networking of FCs.

3.1.2.1 Target: Design & construction of tax information system

The following targets have been achieved:

- Staff members of high credentials were appointed and an agreement has been signed with Computers & Communications Company (CCS) to develop and build a new system.
- The project and the IT company has designed the new system to accommodate following modules:
 1. The Security and Privileges Module.
 2. The Basic Data Module.
 3. The Assessment Module.
 4. The Collection Module.
 5. The Accountancy Module.
 6. The Auditing and Inspection Module.
 7. The Public Service Module.
 8. The Internet Module.
- Using latest programming tools in creating the automated system (Oracle 9i), the technical department has prepared a work plan using Microsoft Project Planning tool, detailing all activities. The software and hardware technical specifications have been built to tolerate Oracle as Database (on a separate Server) using UNIX as an Operating system and Web Application (on another server).
- The technical team and CCS Company completed the operating, running and testing of the automated system modules successfully.
- The technical project team in cooperation with CCS Company are programming and testing the requested modifications on the automated system.

3.1.2.2 Target: IT support- computer hardware & software development

The following points indicate the achievements of the project in terms of hardware and software development:

- The examiner has conducted a meeting with the IT technical staff. Seminars have been held showcasing the achievements in the IT field concerning the project. The examiner performed several tests to ensure system compliance and the faultlessness of the achieved outputs.
- Tenders and specifications of requirements for the equipments and applications have been approved, passing through tender technical evaluations for proposals. The equipments have been procured. Sample of proposals were provided as per Appendix 08.
- The new equipments were installed and tested. (184) PC's, (60) dot matrix printer and (54) laser printer and other laptops and UPS were procured. Inventories list has been provided to the examiner as per Appendix 13.
- An agreement with the Jordanian Telecommunication Company has been signed to link all municipalities with FC's. This agreement decreases the total cost by 50%.
- Network infrastructure for 33 municipalities and FC's were established including West Amman, Ma'an, Wadi Musa, Shoubak, Southern Shounah, and Southern Mazar and several municipalities.
- The main servers and Oracle software have been received in order to commence with the operations of all the municipalities and FC's.
- An agreement between MOF and Land & Survey (L & S) Department has been signed to link the department with the latest development and electronic update in daily basis.
- The project has launched the leased line service to all the active municipalities, and is looking forward to create a "special domain" for the private sector (Institutional building).
- The management unit has signed an agreement with "AL-AWAEL" company to provide the project with technical support and maintenance for the main servers.
- The project has finished re-organizing and re-grouping the management unit networking infrastructure through special communication, e-cabinet.
- As per annual reports delivered by the project "appendix 11", continuous follow ups were performed with the FCs. This includes:

1. Entering and auditing the assessment & collection data related to the new financial centers & municipalities through the liaison officers, supervisors and data entry support staff.
2. Executing regular field visits on weekly basis to guarantee smooth running of the system.
3. Updating the financial centers and municipalities with the solutions to the technical problems faced during the implementation and testing of the automated system.
4. Continuous follow ups with the technical procedures related to the networking infrastructures and frame relay connections.
5. Conducting technical training, solving problems by remote access, and monitor workers performance by remote access, and other positive attributes.

Conclusions and Recommendations:

- The project has constructed a system based on the latest version of database which is in our case is the Oracle. Other technical devices are mostly provided and in place at different Municipalities and FCs.
- A user friendly system is currently developed which facilitates the procedures for tax payers. The system has been designed based on the version Oracle9i, and was changed to Oracle10g. The use of the system J - developer adds value to the system to include web enabling and web use that facilitates the submission of service through the internet.
- Internet methodology for tax inquiries is ready but payment is not ready yet.
- Numerous positive achievements have been attained concerning IT environment development and several agreements have been signed. However, more efforts have to be made to commence with operating the new system in all municipalities.
- An audit and continuous follow ups have been conducted by an Examiner to ensure system compliance and that the delivered information is fully accurate and represents the actual and expected information. The result shows that the delivered output from the system is perfect and exceeds expectation.
- Obviously that the project IT team has made tremendously outstanding efforts to achieve these results. Moreover, project team is fully qualified and armed with full experience and knowledge. A large amount of work was skillfully handled by a small number of project staff, and there is a huge risk with any staff turnover.

- The developed system is very comprehensive and fully secured and exceeds the requirements. By means of the new system, all properties related to specific tax payers will be correlated with the National Number. However, the examiner recommends an IT Consultant to conduct periodic IT audit.
- More training has to be carried out by the project staff to finalize operating the new system in all municipalities and FCs.
- The webpage of the property tax needs to be reactivated by for the public use.
- The project staff has to increase the number of its employees especially in the IT field so that they can support the project and ensure the existence of a second line in case they loose any staff member.

3.1.3 Immediate Objective 3: Organization & Administration

Definition: An organizational, Administrative, and operational matters related to the PTS and its technological support duly implemented and in operation.

3.1.3.1 Target: “System Owner”- functions, responsibilities, & duties, etc

Regarding system ownership, the following targets have been accomplished:

- Project team members are very well experienced and & highly qualified staff who have a solid experience in their fields.
- Project team has performed bidding for hardware and software of the project after which the project team commenced allocating the location of work spots, installation of computers, database, servers and network connections.
- Moreover, MOF has transferred JD 215,000 from the government budget of years 2006, and 2007. Also, JD 65,000 has been allocated to the budget of 2008 for servicing property tax project as “Gov- cost sharing”. Refer to project reports Appendix 11”.
- The project staff has established an organizational unit to be responsible for property tax issues in the municipalities. An ideal structure for the tax department/ directorate has been identified and allocated as “directorate” including several departments in the governorate centers (large municipalities). While in the small size municipalities it was named as “department”. In the two scenarios the tax structure include the following units:
 - Public Service office.
 - Auditing and Inspection department/branch.
 - Collection department/branch.
 - Assessment department/ branch.
- The Project Committee has assigned a representative in each municipality to be responsible for communication with them. This representative has to follow up any maintenance, communication, access and other duties concerning relation with the Committee.
- Several committees under the different identified parts have been defined like Estimation Committees (ECs), Appeal Committee (AC), as well as the Assessment Inspector under the Auditing and Inspection.
- The data entry staff utilized in the data entry of the project was appointed in the data entry for FCs.
- Each department or unit of the defined organization structure has been correlated with identified responsibilities and duties as per a guiding manual

which is delivered by the project staff. Each organizational unit is allocated with clear power and authority through which, the concerned person can only access data related to his/her functions and duties. (Refer to Appendix 04).

- Project Committee has formulated the specification of equipments and required financial resources by inviting bids to purchase computers that are installed in main center to start the automated system modules. “Refers to Annual reports of the Project Appendix 11”.
- Technical training courses have been conducted for project representatives to act as trainers for municipalities’ staff.
- Remote help unit was constructed to assist and support municipalities in all issues facing them. The communication will be also through the project representative.

3.1.3.2 Target: Data capture- functions, responsibilities, & duties, etc

In the field of Data capture, the following has been accomplished:

- In order to persuade people to pay their due taxes within the specified time frame and avoid penalization, innovative promotion and installments procedures have been established. This can render in collecting more taxes from the people.
- New specifications and procedures were designed to obtain information from local resources by forming working groups to collect data. This data include information about the owners and their properties. Moreover a basis of automatic calculation of taxes depending on the collected figures have been established (refer manuals and Annual reports Appendices 06 and 11).
- New formats have been designed for data capturing.
- As per the present organization structure, there are newly formed committees and departments that are established to perform relevant activities pertaining to tax collection, payments and other assigned responsibilities for the new system.
- Manuals containing the appropriate policies and procedures for the newly founded tax system were created that accommodate vital administrative, financial, organizational, technical, and operational tasks. However, municipalities lack the implementation of proper Authority Matrix policies and procedures which is vital to provide uniformity and clarity to the various levels of authorization and must be followed while conducting various operations.
- All achievements mentioned through this target were supported with evidences as per Appendix 06.

3.1.3.3 Target: Database contents, use, access limitations, and security

- The project staff has used Oracle 9i as database in terms of capacity of saving and retrieving information and high level of security. UNIX True 64 Operation System is a high level security oriented system as it is mentioned in the annual reports of the project Appendix 11.
- An agreement was signed with an IT company to provide with the required applications “mentioned previously”.
- The specifications of database contents shared with the financial centers and municipalities have been established along with authorized user’s access, limitations and security.
- The contents of the database of the Property Tax Department have been formulated including the contents of the website.
- Limitations and securities for system have been enabled for users in municipalities, financial centers and for project staff. Through which the user should have:
 1. Unique user name and password;
 2. Limited access for user as per municipalities’ management requests.

3.1.3.4 Target: Technological support- functions, responsibilities, & duties

The targets achieved in technological support are:

- Specifications for functions and duties concerning the technological support have been devised though which full support and coverage has been commenced for the 29 site of system operations. (As per Annual reports of the project Appendix 11)
- The software supplier, designer and the technical project team are supporting the new system updates and development. (As per Annual reports of the project).
- The project team procured (184) PC’s, (60) dot matrix printer and (54) laser printer, other laptops and UPS to cover the requirements of financial centers and municipalities. (Refer to annual reports of the project Appendix 11).
- The internet service has been activated for taxpayers. Through this service people can submit their inquiries and objections.
- The data entry people have been re-assigned to the financial centers and municipalities. Recruitment of new staff is necessary.

3.1.3.5 Target: Organization, administration & operation manual

The following manuals have been developed:

- "The Guide Book" in tax actualization and collection on property inside municipal areas has been developed and distributed. (Refer to the book Appendix 06).
- Many other manuals were developed, reviewed and approved. The list is as stated below:
 - Standard Organization Structure for Property Tax Department within any municipality
 - Staff and department role functions manual
 - Estimation & Collection policies & procedures
 - IT system "briefed" print screened booklet
 - Manual of Property Tax inside municipalities and related legislations
 - New legal structure that include draft of Buildings and Lands Law within the territories of the Greater Municipality and Municipalities
 - Basics and Instructions of Property Tax Estimation inside Municipality Areas.
- An official letter was sent to the Ministry of Information & Communications Technology asking to provide the Property Tax Project with Oracle Software License through the "government software agreement". (Refer to Appendix 05)
- An official letter was sent to the Minister of Municipal Affairs including the following issues (refer to Appendix 03):
- Holding a workshop in cooperation with the UNDP, MOMA, and MOF in order to update users of the current modifications and future goals of the property tax project. This will lead to an encouragement from the MOMA side for all municipalities to start the collection of taxes.
 - MOMA has to notify municipalities to allocate the needed amounts in their budgets to cover the running cost of leased lines in order to operate the property tax automated system.
 - Employ the existing data entry staff in the municipalities after attaining the practical experience to reduce the overhead on property tax project budget (refer to the annual reports of the project).

Conclusions and Recommendations:

- An organization structure has been developed which includes certain essential units within the departments/directorates that can prove significant for the municipalities. However, the organization structure did not clearly specify the area where the IT support units should be included as per stated in the manuals that contain the policies and procedures.
- According to the examiner's observation, the municipalities established in small villages cannot accommodate within the organization an IT support Unit to handle the tax functions, while such a convenience is well provided to municipalities set up in major cities of Jordan. Moreover, it is vital to focus on the issue that the staff that is required to handle all IT related activities, is not so qualified to interact with the newly implemented system. To ensure the skills/abilities of the staff is compatible with those of the new equipments and software's, it is essential for them to be properly trained and educated through various training courses.
- An IT Support Unit needs to be identified for municipalities to assist in maintaining the developed systems. All municipalities shall be made aware of the functions, duties and importance of such unit to support the system's implementation. For small size municipalities, a maintenance contract/agreement with an IT company could be an option.
- The examiner noted that manuals which include the operational, administrative, and organizational matters have been developed. Other manuals where functions and duties of these units are clearly defined are also developed.
- The examiner has noted that the delivered efforts from the project team staff in the development of this output is sufficient but the awareness in the municipalities, especially those with small size, needs to be enhanced. The Ministry of Municipal Affairs could be utilized to support and encourage municipalities to implement the system as per the needed requirements.
- Internal policies and procedures, authority matrix, and a clear organization structure need to be developed and implemented in the municipalities. Again, the MOMA should be the sponsor for such initiative.
- There is a risk that the trained project representatives may leave their positions within municipalities which will create empty position that will not be filled unless the new hired representative achieves the same training. Moreover, if the project representative has lack of data or misunderstanding, this will be reflected to the rest of the staff in municipality.
- The project team has delivered extreme and outstanding efforts to achieve results. Moreover, project teams are fully qualified and armed with full

experience and knowledge. The number of project staff comparable with the size of work is low. The project staff numbers have to be increased and enhanced especially in the IT field to support the project and avoiding the risk of losing any staff member by ensuring the existence second line staff.

3.1.4 Immediate Objective 4: Staff Training Program

Definition: Improve people's knowledge about the PTS including its benefits to the society, and also improve their attitude towards paying the property tax.

3.1.4.1 Target: Implementation of a program for awareness creation

Under this target, the following goals have been attained:

- First workshop attended by 18 head of municipalities under the patronage of the Municipal Affairs Minister for a period of two days was held at Movenpick / Dead Sea to discuss the application of the new automated system in 16 Municipalities and their achievements.
- The Steering Committee of the project has convened several times; conclusions and recommendations were delivered to the respective parties as per minutes of meeting.
- The National Project Coordinator (NPC) has conducted numerous meetings with mayors all around the Kingdom to publicize and ensure the spread of awareness of the new system.
- Some press news and announcements have been covered by the media as a type of awareness and publicity for the new tax system.
- A Study Tour to Swedish Tax Agency has been executed to increase the project team's technical acquaintance with the latest technology and methods. This study tour has been arranged by UNDP.
- Study Tours to Dubai have been conducted by the project staff for an approximate period of six days in order to research about the implementation of "electronic-government" and the derived benefits aiding towards the improvement of the system. Moreover, several visits have also been performed to the following:
 - Dubai Municipality
 - Police Department,
 - Custom Department
 - Immigration Department
- Different modifications have been made to the Project Website Page, like latest updates of the project news, electronic reply for inquiries to be sent to the users email, allowing visitors of the website give their opinion and suggestions through a special email address for complaints and proposals.
- Various constructive ideas, making use of the latest technology have been proposed for application by the Ministry of Finance (E-Dinar, an e-door to all government, etc...)

3.1.4.2 Target: Development of a comprehensive training program

The following tasks have been performed in this regard:

- The project has appointed a Human Resources Consultant to assist in development the training program (refer to project staff Appendix 12).
- The Project Committee launched a comprehensive training Program that covers numerous FCs and municipalities through out the kingdom, covering the following fields (Refer to training register Appendix 07):
 - Assessment
 - Computer literacy
 - Property tax system
 - Tax collection
- The project team has identified suitable training programs and contacted universities, training institutions, and external trainers to deliver the best training practice.
- Trainees underwent Rewarding Training Programs (motivating premiums) to encourage and motivate them (refer to the annual reports of the project Appendix 11).

3.1.4.3 Target: Implementation of the training program

- The Project Committee has launched a comprehensive training Program that covered different FCs and municipalities through out the kingdom, targeting different professional subjects, the core being taxation issues and computer skills (ICDL). These training courses have been conducted at Committee Head Office in Amman and others in fields “municipalities”. (Refer to training register Appendix 07).
- Around 45 training courses have been held for targeted groups of staff employees from FC, Municipalities, MOF, and Data Entry about the system automation and other technical aspects concerning the new system. Moreover, 4 training courses were delivered to system developers and network engineers.
- 42 Training courses for employees working in the field of estimation and collection were held. The total number of trainees is 523. (Refer to training register Appendix 07).
- It was obvious that 21% people included in the random sample were not aware of the new system, while 60% were partially aware and 19% claimed that they were aware of the new system.

- The municipalities staff satisfaction has been measured and the results are as follows:
 - 30% of staff is fully satisfied.
 - 51% of staff is partially satisfied.
 - 19% of staff is unsatisfied.
- The municipalities and taxpayers satisfaction about the awareness campaign has been measured. The results attained are elucidated in figure (8).
- The satisfaction of trained staff of municipalities has been also measured, and the following results are attained:
 - 18% satisfied.
 - 57% partially satisfied.
 - 25% unsatisfied.

Conclusions and Recommendations:

- A comprehensive training program has been constructed to train employees on the new system. The delivered training program exceeds the required as per the agreement with UNDP. Moreover, most municipality staff that was evaluated has mentioned that the delivered training is acceptable but 18% of the staff was unsatisfied. However, The examiner noted that most of the staff in the visited sites was qualified and has ability to utilize the system.
- The training program should aim at providing constructive training to the staff members and furthermore render in enhancing awareness and need of the new system so that the tax payers can acknowledge its importance and dutifully pay their taxes. Moreover, the quality of the training programs should be enhanced by supporting the training team and increasing the number of training courses.
- In spite of training that have been conducted in the Head Office and fields, a frequent training must be scheduled to keep trainees updated and improvement incessantly.
- Due to of insufficient allowances in the budget, the committee trainers has reduced site visits and depends on remote assistance.
- Seminars, workshops and awareness programs were conducted for the staff of the municipalities and efforts were exerted to improve the efficiency of the employees. However, this attempt alone is not sufficient in rendering the desired output and achieving the results. The Mayors of all municipalities should also acknowledge their responsibilities towards the system and actively participate in the programs for they will be held accountable being

the superiors for the proper development of the taxation department and the appropriate implementation of the new system.

- The project staff has to organize a feedback scheme whereby all participated people in the workshops elucidate the impact of the property tax information.
- It is highly recommended to enter into agreements with highly specialized training institutions to deal with the identified long term training needs of the staff. This will be a sort of encouragement as well.
- The project committee needs to focus on delivering training for project representatives from different governorates around the Kingdom. This will facilitate the training mission. "Train of trainers".
- Training courses in the field of auditing, accounting are highly recommended to be provided for municipality staff to ensure that all correlated systems with the property tax are fully operated with compliance.
- Around one out of three taxpayers and municipalities staff was unsatisfied on the overall awareness program, while one out of ten people agreed that the awareness program was sufficient.
- Around $\frac{1}{4}$ of the municipality staff was unsatisfied about the quality and quantity of the training system which indicates that the training courses delivered were not enough for the staff. However, the desired number of trainees exceeded with an enrollment of around 225, but the total hours of training modules for each trainee is less than what is stated as per project agreement, which is 80 hour.
- The awareness campaign has to be vigorously set in motion to publicize the new concept. This could be achieved by press publication, radio and TV announcements, posters and other efficient awareness methods.
- Municipalities have to play a major role in the public awareness. MOMA should be utilized to support this activity.
- The examiner noted that the staff members of the tax project are fully qualified and have an extensive experience in their fields. The meeting with them, their CVs, efforts exerted and achievements indicate that clearly.

3.1.5 Immediate Objective 5: Public Awareness Campaign

Definition: Improve people's knowledge about the PTS including its benefits to the society, and to improve their attitude towards paying the property tax.

3.1.5.1 Target: Design & implementation of public awareness campaign

The following goals have been achieved:

- Awareness posters that focus on the projects goals and objectives have been designed and distributed to several financial centers and municipalities by the project committee. (Refer to annual reports Appendix 11).
- An Interview with his Excellency the Minister of Finance Dr. Muhammad Abu Hammour has been conducted by the daily newspaper (Alarab–alyawm). Through this interview MOF has outlined the vision of the project and its benefits to taxpayers and government.
- Official meetings and launches have been conducted with numerous targeted groups. These meetings were covered by official press and Jordanian TV.
- Different seminars were held with various municipalities that were covered by newspapers.
- Other campaigns were conducted and covered by TV, websites, newspapers and press releases were held for visits of delegations.
- Public awareness and training campaigns have been carried out by the project staff. These training campaigns have covered several courses and topics to enhance the team knowledge and qualifications.
- The examiner noted that the staff of the tax project are fully qualified and have an extensive experience in their fields.
- Moreover, the examiner noted that the staff in most of the visited municipalities are fully qualified and have the capability to utilize the system.
- The examiner has distinguished that in the small size municipalities, the public are not aware of the new system and some people have displayed their disapproval of the new system. The nature, traditions, and cultures in these villages plays major role in all of that.
- It has been measured that 21% of the taxpayers have no information about the new system, while 60% are partially aware and 19% claim that they are fully aware of the new system.
- The satisfaction of taxpayers and municipalities regarding awareness of the program is depicted in a survey analysis as shown in figure 3.

- It has been clearly measured that 31% of taxpayers fully agreed that the tax working staff are qualified and are highly efficient in performing their work. 44% said that they are good and partially qualified. While the remaining 25% mentioned that that staff have weak points.

3.1.5.2 Target: Evaluation of the efficiency and impact of the campaign

No surveys assessment or evaluation was conducted to assess the knowledge of the people regarding the project either at early or later stages of the project. But all increase in revenue was due to expedite of service “atomization”.

Conclusions and Recommendations

- The project team is to a great extent qualified and has the ability to utilize the system. Training courses given to them enhanced their knowledge and improve their performance.
- The public are not fully aware of the new system. That is because organized awareness campaigns have not been executed; a few random activities have been carried out which do not fulfill the minimum requirements. Moreover, 28% of taxpayers are not satisfied with the delivered awareness and 56% are comparatively satisfied.
- A well organized and comprehensive awareness campaign has to be developed and executed. Such a campaign may include Media advertisements, posters and flyers. Municipalities and all governmental firms themselves need to be involved in such a project. Schools and universities could be utilized for performing such campaigns. After conducting this campaign, an evaluation has to be performed to assess the impact of the performed campaign. After conducting the stated campaign, an assessment needs to be conducted to measure the efficiency and impact of the campaign. Moreover, the results of evaluation should be analyzed. A National research institution could perform this mission.
- The interviews conducted by the project committee were not sufficient to deliver the required awareness. However, the awareness campaign should be delivered throughout the year not only for certain period of time.
- More training courses and programs should be scheduled & delivered to staff in municipalities, not only to utilize the system properly but also to make the taxpayer aware of the new system. The training may include methods of publishing such new systems for public.
- A contract needs to be signed with a national research institute to perform an analysis for the public knowledge about the tax system and studying their attitude towards paying taxes.

- No impact evaluation for public campaigns has been performed.
- The Examiner has randomly selected municipality and note that there is no allocated budget for awareness, training, furniture concerning new tax system.

3.1.6 Immediate Objective 6: Quick Results Yielding Activities

Definition: Achieved immediate, short term results of improved procedures and better services to the taxpayers.

3.1.6.1 Target: Establishment of staff incentives and reward system

No achievements in this field were done.

3.1.6.2 Target: Simplifications of Procedures

- The committee have developed the following manuals and guidelines related to the tax system:
 - The automated estimation manual;
 - The guidance in collection of taxes;
 - The property tax and related legislation manual;
 - Postures related to the project objectives and aspirations;
 - Tax Unit structure and functions within municipalities;
 - Other manuals and guidance's.
- An agreement has been signed between MOF and MOMA by application of which the authority of taxes collection will be allocated to MOMA. (Refer to Appendix 15)
- All taxes have been unified to be paid as one package which facilitates the process for the taxpayers as well as for MOF.
- New procedures and processes for promotions and fines have been developed as well as for the appeal committee (Refer to new taxation law Appendix 02). The new implemented procedures will lead to:
 - De-centralization of pay-tax procedures.
 - Increase collection in shorter time.
 - Smoother derivation of information and statistical data for both tax payers and higher management requirements.
- The new system makes it easier to extract the clearance certificates. In the previous system it was 16 steps, while now it is reduced to 7 steps. The attached Appendix 09 illustrates this procedure.
- As per the survey analysis results two paragraphs mentioned the issue in the taxpayers survey and the results achieved were as elucidated below in figure4:

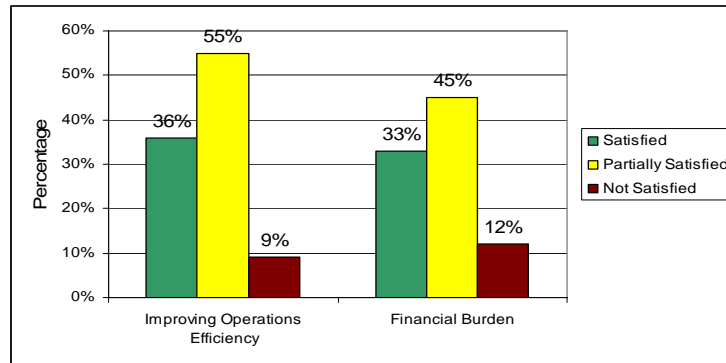


Figure 4: Analysis of Operations/ Taxpayers

- As per the survey analysis of the municipality’s staff, the following results have been achieved:

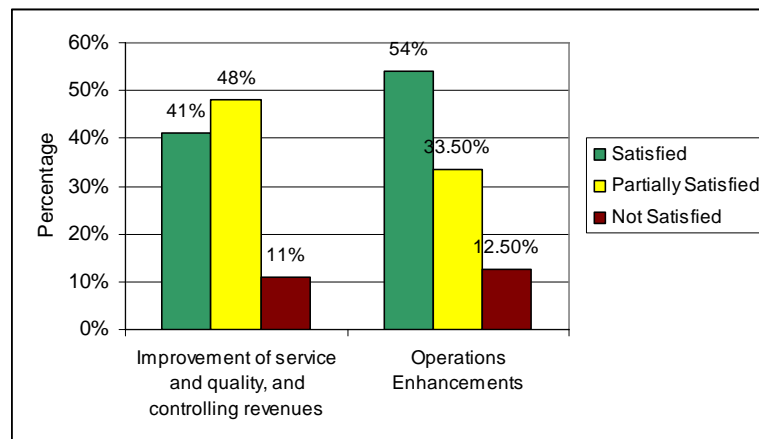


Figure 5: Analysis of Operations / Municipalities

3.1.6.3 Target: Lowered cots, increased revenues, better services activities

- As per the project annual reports Appendix 11, using the new system of property tax will lead to increase the limits of revenue from (JD 3 to 5 million) annually, and will reduce the cost of equipment warranty and other tax evasion.
- The examiner has noted that the new procedures simplified the work and delivered better services, and enhance quality of work. To ensure that revenues have been enhanced as stated previously, the examiner has conducted a comparison for collection of 12 municipalities “randomly” that began with the implementation of the new system. The comparison has been performed to include the same period in the two years before and after starting with the new system. The achieved results are as elucidate the following:

Municipality	* Collection 2006	* Collection 2007	Increment	%
Great Municipality of Irbid	1536396.574	1748395.238	211998.664	14%
Al-Wasatia	19506.414	21657.029	2150.615	11%
Western Irbid	37622.896	41872.402	4249.506	11%
Shula	7649.525	6916.477	-733.048	-10%
Saro'a	14872.69	12648.013	-2224.677	-15%
Great Municipality of Mafraq	127188.896	136339.002	9150.106	7%
Al-Hussien Bin Abdul allah	3088.074	4727.506	1639.432	53%
Khalidya	10033.732	10210.431	176.699	2%
Salhia and Nayfa	2264.138	4350.676	2086.538	92%
New Balama	1275.692	23644.205	22368.513	1753%
Al Rusayfa	393457.827	447642.273	54184.446	14%
Great Municipality of Maan	38619.852	37699.61	-920.242	-2%

* The collection is only for property tax without other taxes mentioned.

- The examiner has noticed that the new system reduces the time needed and increases efficiency by performing a test for the time needed to check the taxes, get the report, and payment. The examiner performed the test three times and mentioned that it takes 3.5 min, 5 min, and 7 min respectively for the three trails she performs. So the average 5.2 min to finalize the process. While in the previous system it took hours and some time days.
- However, no researches or studies were performed by the project staff to ensure that the new system has improved the process, increase revenue collection, increase quality of work and lowered the cost.

Conclusions and Recommendations:

- It has been observed that the incentives rewarded to the employees of the municipalities are not sufficient to retain them and gain their satisfaction or loyalty. This can reflect negatively on the turnover rate of the employees. An old employee resigning from the job will automatically make the newly appointed employee a risk for the system. The newly hired will commit blunders that can be a major drawback in rendering efficiency and effectiveness. Hence, familiarizing the new employee with the system is very important. He should be provided proper training and educated well with respect to the complexities of the system and its functionalities.
- The salaries, incentives and/or compensations for employees have to be increased if the municipality wants to retain them. Rewards and incentives should be provided to motivate the employees to provide their expertise and services, this can help attain employee satisfactions. To achieve this target, there is a need to design staff incentives and rewards system.
- New operational procedures have been developed including fines and promotions and documentation on the new system included for several types of stakeholders of the project.
- Around 90% of the people were of the opinion that the tax system in deed has improved operational efficiency and reduce financial burden. Moreover, 5 of every 9 municipalities staff members have acknowledged the fact that the system is strong enough to control revenues and provide high quality of services. 3 out of 9 are partially in agreement while 1 totally disagrees.
- The collection of the taxes has been increased in 9 of 12 municipality tested, however the collection has been increased with an average 161% comparable with taxes collected before new tax system.
- Despite the development of the tax procedures and manuals, there is a dire need for training and awareness campaigns to be conducted by the project staff as it plays a significant role in achieving the required objectives and goals pertaining to the newly implemented taxation system.
- It is highly recommended that a contract should be signed with the national research institution to carry out a study of the effects of the new system. After such study, improvements could be implemented to the new system.
- It is highly recommended to develop a performance measurement system by which the project staff can monitor the system and add their improvements.
- Overall; the time has been reduced, the quality of services delivered has been amplified and positive effects have been clearly realized.

3.2 Stakeholder Analysis

These criteria analyze the stakeholders of the project in terms of:

- Satisfaction about the new system and whether it is within the anticipated outcomes;
- Value added to the municipalities; and
- Awareness for public and parties involved.

The measurement method for these criteria is varied between surveys distributed to a random key staff which is used as the main source for measuring this criterion. These surveys were distributed to three stakeholders who are:

- Taxpayers
- Municipalities and ministries
- Tax project team

These surveys include several questions and clarifications in different fields that may covered this criteria and also another criteria. These surveys are randomly distributed to municipalities that commenced with the implementation of the new tax system.

Interviews with random key staff from different stakeholders were held to discuss the benefits delivered by such system and whether the new system eased their responsibilities.

Observing the developed manuals and guidance for new tax system, training and workshop records and registers are also utilized for measuring awareness for parties involved.

The following results and findings have been noted by the examiner:

- The satisfaction of taxpayers can be judged and indicated through a diagrammatic illustration in form of a pie chart as shown in the following figure:

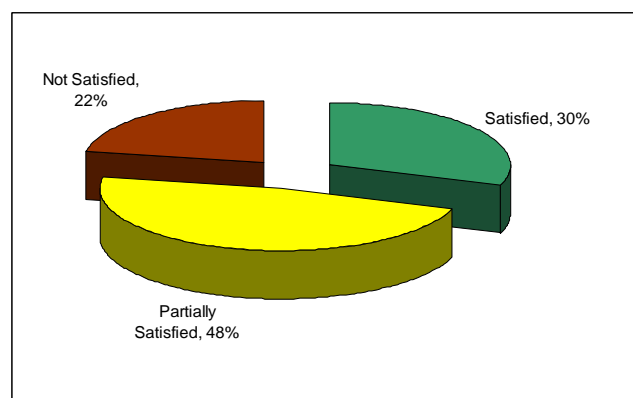


Figure 6: Taxpayer Satisfaction Analysis

- The satisfaction of staff members belonging to various municipalities can be judged and indicated through a diagrammatic illustration in form of a pie chart as shown in the following figure:

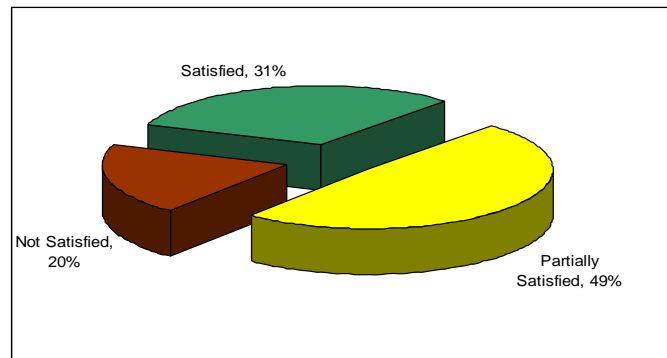


Figure 7: Municipalities Staff Analysis

- The satisfaction of project staff members can be judged and indicated through a diagrammatic illustration in form of a pie chart as shown in the following figure:

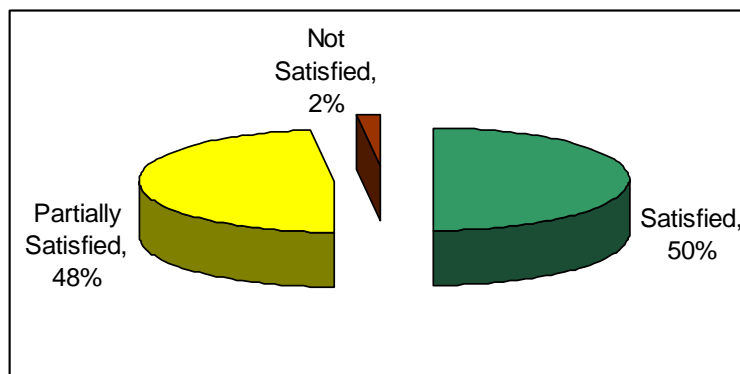


Figure 8: Project Staff Analysis

As per the analysis of results of surveys, the three inquired stakeholders are satisfied with the new system with different percentages but with accepted ranges. However, the taxpayers and municipalities staff results are preferable to be more acceptable.

The examiner also has performed meetings, discussions, and visits to the following parties:

1. Minister of Finance
2. General Secretary, MOF;
3. General Secretary, MOMA;
4. Lands and Survey Department;
5. Different selected municipalities.

The examiner has noticed that most parties visited are happy and satisfied with the new system in general.

3.2.1 Value Added

Earlier, the tax payers had to go through the lengthy procedure of visiting separately the respective tax payment municipalities in order to pay their building, land, education, or infrastructure taxes. This procedure was time consuming for many tax payers as they considered it tedious to travel from one location to another to resolve their tax issues. However, this problem currently has been tackled by making it a “One Stop Shop” concept. All the taxes according to the newly implemented policy can be paid at the nearest tax paying municipality in the country/city without going through the traveling ordeal. Later, the municipality of that particular area is responsible for transferring the paid tax to the rightful municipalities upon dividing it respectively into the allotted percentage – building (10 %), land (2%), education (2%) or infrastructure (3%).

A basic problem that is still deep rooted within the municipalities is the ignorance in refunding the tax collected on behalf of other municipalities established in villages and saving them partly to be utilized for development of their own infrastructure.

However, this problem currently has been tackled by making it a “One Stop Shop” experience. All the taxes according to the newly implemented policy can be paid at the nearest tax paying municipality in the country/city without going through the traveling ordeal. Later, the municipality of that particular area is responsible for transferring the paid tax to the rightful municipalities upon dividing it respectively into the allotted percentage – building (10 %), land (2%), education (2%) or infrastructure (3%).

Previously there was no archiving system. Year end closing had become a long procedure as it was done manually. Now, because of the implementation of new technology, the data entry and retrieval and generation of report has been made easier.

A lot of manual effort was involved previously. This lead to the following:

- More human errors;
- More expenditure with respect to the budget;
- More time consumption
- Increase in the corruption level
- Long waiting time in the queue on the taxpayers part because of the data being misplaced due to inefficiency in filling

Due to the new system, progressive changes have been noted. It yields in:

- Reducing errors;
- Producing High Quality
- Saving Budget;
- Producing more efficiency;
- Less time consuming and increasing speed;
- Prompt & Efficient customer service;
- Increasing Financial returns;
- No personal favors
- Decrease in corruption level
- Closing budget in a shorter time period and generate any type of reports
- Assessing National Identity Number to each tax payer
- Previously there was no archiving system. Year end closing had become a long procedure as it was done manually. Many problems were faced in filing records and in some cases losing them. However, now, because of the implementation of new technology, the data entry and retrieval and generation of report has been made easier.

3.2.2 Public Awareness

Training forms an integral aspect to improve the efficiency & performance of employees. It helps an organization strengthen its employees' job performance by pinpointing areas of performance that can be improved. Satisfying evidence has been gathered by the examiner that with respect to the training aspect included in the project, an oracle company had been contacted to work on the system and provide training two Engineers in the committee. Technical training was provided on how to effectively use the system and about the concept, collection and evaluation pertaining to tax issues. Policies and procedures were created, implemented and followed appropriately.

As a part of the taxpayers and municipalities staff surveys overall satisfaction, they were inquired about the public awareness, and the achieved results were as mentioned in the following figure:

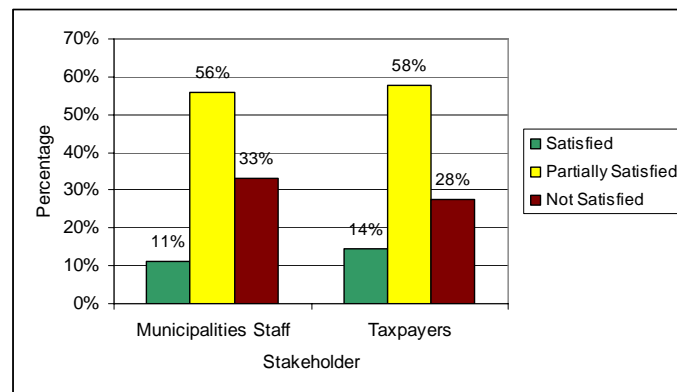


Figure 9: Awareness Analysis

However, 21% of taxpayers inquired about the new tax system said that they are not conscious about the new tax system. While 60.5% said that they are partially conscious about the new system, and 18.5% said they are aware about the new system.

Furthermore; the training of the new system was not neglected for staff of the project and municipality staff. The following figure elucidates the results about paragraph inquiring about the training delivered for them:

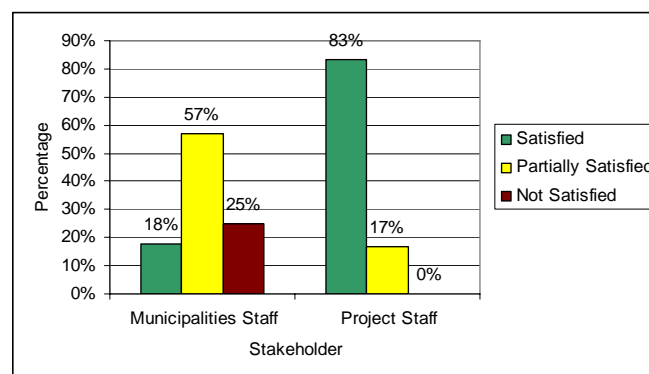


Figure 10: Training Satisfaction Results

Findings & Recommendations

- In order to encourage people to pay their taxes, a tax clearance report is needed for issues that may involve the consent or approval of the municipality. The first step to initiate or dissolve from doing business is to obtain a Tax Clearance Report from the municipality. The report evidences the payment by the taxpayer of all taxes and charges. This includes tax, interest, penalties, fees, charges, and other liabilities an individual has incurred while in existence or operating in Jordan. To ensure that the clearance report is not subjected to any biasness, favoritism or tampering, it is recommended that the generation of clearance report should be made automated. The system can automatically decide upon the status of the report whether the individual is eligible to receive the clearance report or not. A memorandum of understanding should be signed to ensure that the generated report with the original stamp of the municipality will be accepted and approved.
- An awareness campaign must be undertaken by the municipality to ensure that people understand the importance of paying taxes and accept their duty as responsible tax payers. The encouragement and motivation should help the people comprehend the vitality of the process of taxation and how important it is for the growth of the country and the establishment of its infrastructure.
- The examiner recommends that periodic training is good for all the employees. Periodic Training would aid in expanding on the existing knowledge and skills of each employee to ensure that they continue to be confident and efficient. This can cater to issues related to how much training is required? How would it be delivered? How will periodic training hours be monitored? etc.
- During the course of the visit, the examiner met with two of the IT professional Engineers who briefed and gave presentation about the newly incorporated IT system and its benefits. This further lead to the analysis of the system by the examiner. Policies & Procedures were looked upon that cover the communication between the committee and the municipality and all the procedures implemented within the municipality itself. However, it was observed that they possess good organization structure for the committee and its templates which is considered by the examiner an ideal structure as per the best practices for any municipality to have which is aiming for growth.

3.3 Operations & Staff Efficiency

This criterion measures operations efficiency for the new system from two perspectives:

- Whether the developed system enhances the tax system through time reduction; simplify the related procedures for payers, and quality of services.
- Whether the trained staffs of respective municipalities have achieved information, skills, knowledge, and have the capability to utilize the new tax system.

The measurement method includes surveys and interviews with project staff and municipalities' officials, and tax payers. Also, the supervising committee has showed an evidence of such results such as automatic payment centers, affiliation within all related tax agencies, etc...

During the course of the visit, the examiner met with the IT professional Engineers who briefed her about the newly incorporated IT system and its benefits. This further lead to the analysis of the system by the examiner. Policies & Procedures were looked upon that cover the communication between the committee and the municipality and all the procedures implemented within the municipality itself.

Previously taxes used to be paid as per property number. Now Social Security Number (SSN) or National Identity Number (NIN) has resolved these tiresome issues and made the process more prompt and uncomplicated. Its primary purpose is to track individuals for taxation purposes. This has been tested and validated by the examiner randomly.

In order to encourage the Tax Payers to pay their due taxes, the introduction of installment plan has been made.

Previously there was no archiving system. Year end closing had become a long procedure as it was done manually. More negative effects for the previous system may include:

1. The possibility of losing the files;
2. It could be damaged easily;
3. Time consuming of the client, since it may be required to be brought from the stores;

Now, because of the implementation of new technology, the data entry and retrieval and generation of report has been made easier.

The examiner has observed that the new system has ensured that there is time reduction, revenue increment, simplification of procedures of payment, and also enhancing the quality service delivered for public people. Evidences concerning the analysis of such factors were previously stated in the achievement number 5 and 6.

The examiner performed several tests to the municipalities' staff to ensure their capability to utilize the new system. The examiner has noted that all of staff tested are qualified and have the full capability to operate the new system in a good manner.

Moreover the survey of the taxpayers has inquired them about the performance and capability of the municipality staff. The results of such inquiry are stated in the following figure:

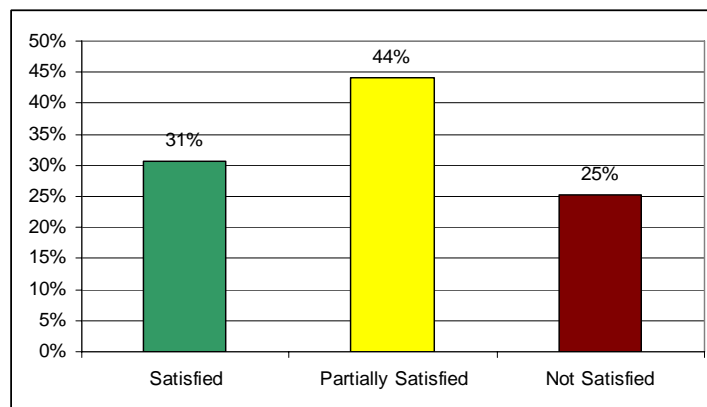


Figure 11: Satisfactory Results about Municipalities Staff

Findings & Recommendations

- It was observed by the examiner that the designed organization structure for municipalities is good and what stated as per their duties and functions represents the best practices for any municipality to have which is aiming for future growth.
- The new system as observed by the examiner has simplified the procedures and make more efficient, reduce time, improve quality of service, maximize revenue collection.
- The new system allows a remote access on all terminals/centers that are connected together. This helps in ensuring the following:
 - Online trouble shooting;
 - Maintaining honesty and dutiful fulfillment of the assigned responsibility on the part of the employee.
- Due to the formation of committee, there is a major control on the element of corruption which was deep rooted previously because of negligence of corrupted employees to adhere to the rightly established procedures. These fraudulent individuals may either not perform the duties they are originally intended to, or perform them in an improper way to detriment the municipality aims and objectives. The new system has succeeded in eliminating these aspects and focused on establishing proper property and rent processes. An AC is formed to reevaluate an individual's property to avoid the interference of corruption.
- Around 3 of every 4 taxpayer reviewed the municipality to some extent were satisfied with the new system. However corrective actions have to be taken to cover the gap with 25% of left the taxpayers. Such corrective actions may include finding new training courses for staff, and/or periodic training courses.
- It has been observed by the examiner that there is no Authority Matrix which can be major gap operations efficiency. Authority Matrix is vital to provide uniformity and clarity in the application of policies and procedures to the various levels of authorization which must be followed while conducting various business operations. To cover this gap, it is highly recommended that all municipalities to be provided with policies and procedures to ensure the systematic approach running municipalities.
- Using a Personal Digital Assistant (PDA) is highly suggested by the examiner. PDA, a product of the modern technology has a touch screen for entering data, a memory card slot for data storage and either Infra Red Data Association, Bluetooth and/or WiFi for connectivity. This can aid in

generating appraisal figures automatically and very efficiently within a short span of time. It is built with a powerful processor and quite a large chunk of memory, like 8-128 Mb, it allows efficiently working with a larger variety of data. PDA will further greatly reduce the amount of paper (document and reference printouts, various notes) that are shuffled and carried around by the employees within the municipality. A regular backup of PDA held data onto the computer screen can also be done. Hence if considered security-wise, succeeds in defeating the lengthy paper systems. It is vital however, to ensure that budget for obtaining new IT equipment and its maintenance should be included in the expenses by the municipality.

3.4 Implementation Results

This criterion measures whether the developed system increases revenue returns, innovation and upgrading and simplification. Interviews with key randomly selected staff of Ministries and Municipalities involved observing actual results on the spot and they were the source for measuring such criterion.

As was mentioned previously in the people in Jordan are forced to pay their taxes by considering clearance certificates as a mandatory request. Previously these certificates were prepared manually, but recently after implementing the new system it became an automated system delivery. In spite of the new system, some governmental firms still request these certificates to be prepared manually not by automation.

However the previous evaluation criteria have discussed the impact of implementation and to what extent did the new system facilitate the utilization process of the system;

In certain small villages where the examiner has conducted visits. It was observed that important files and records as observed, are not been properly handled and taken care of. They can be located lying carelessly on floors; stacked on un-indexed shelves and in some cases are used as a replacement for tables.

Moreover, the examiner has conducted visit to the Land & Survey (L & S) Department which at early stages of the project commenced with providing the MOF and Project with data required after signing with an agreement with them. The examiner discussed the reason behind discontinuing providing the service to the project staff. The answer was that the person who handles this responsibility was changed and the new one had no idea, and because the MOF did not pay the fee that resulted from the pre-stated agreement.

The municipalities staff and as per the Survey Analysis has been inquired about their evaluation of the new system. The results of such analysis are as elucidated in figure 9.

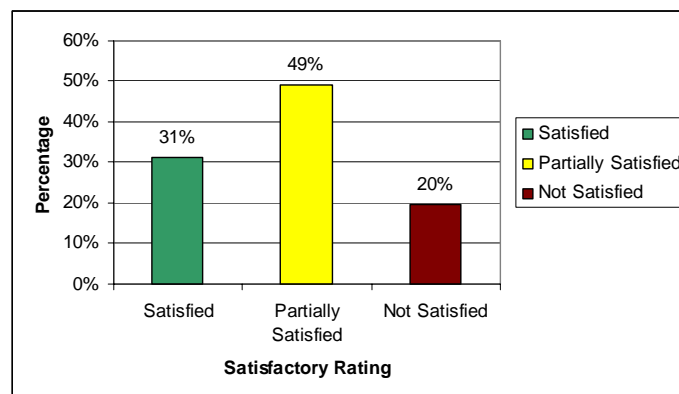


Figure 12: Municipality Satisfactory about the Tax system

Findings and Recommendations

- It was clearly observed by the examiner that the governmental firms in Jordan are not conscious with the new system by several behaviors extracted from the meetings conducted by the examiner.
- An effective awareness campaign is the missing part of the property tax project. The governmental firms should be conscious with the new system, its requirements, and benefits so support the success of this unique system.
- The nature of life and some traditions in Jordan has a great influence to change culture and progress towards success of this project. Another time a comprehensive awareness campaign needs to be conducted by the project team to ensure achieving the desired results of the system.
- The examiner is recommending to conduct training courses for municipalities staff on field to ensure achieving the desired results.
- Upon viewing the present condition of the curtly placed files and records, it is advisable to use servers for back up instead of using folders and old methods for filing which may be damaged easily.

3.5 Project Management Approach & Communication:

This criterion measured the team’s ability of monitoring and reporting during the time period of the tax project and coordination level between Finance and Municipal Affairs Ministries, UNDP and stakeholders. In addition to assessing project staff satisfaction about the project.

Personal interviews and surveys to different parties stated above and project team was the foundation for measuring this criterion.

The Project overall satisfaction about the project is as mentioned in figure 10 which elucidate the results;

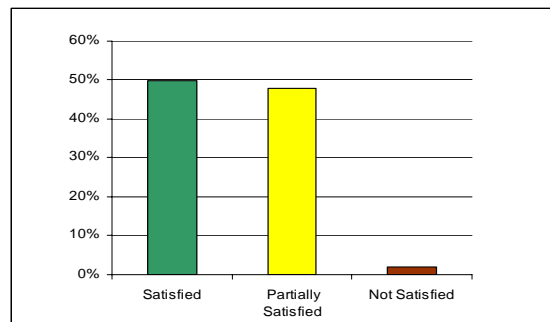


Figure 13: Tax Project Staff Satisfaction Results

The examiner has observed and provided with periodic reports delivered by the project staff during the working period. These reports were delivered on quarterly basis illustrating achievements, budgets, activities, progress, and impact of such achievements. All the pre-stated parties evaluated by all involved parties.

Moreover, the survey of project staff was inquired about the communication between project staff themselves and the communication with other related parties involved in the project (Internal & External Communication) and results achieved was as illustrated in figure 11.

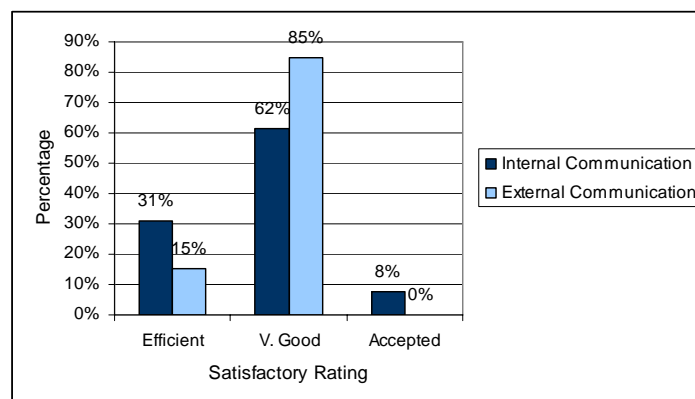


Figure 14: Evaluation of Internal/ External Communication

Moreover, and as discussed previously, it was clearly observed that there is a miss communication with the L & S Department after signing an agreement with them.

Findings and Recommendations:

- The examiner has noted that there is an efficient communication system delivered by the project staff with MOMA and all correlated municipalities, and UNDP. However at the early stages, an agreement was signed with Land & Survey Department to provide them with all required data. This agreement was infracted because the Land & Survey Department does not receive the agreed payment. In spite of that, it is the not the project is not a benefit driver, so there is no source of payment for Land & Survey Department. So it is highly recommended to find a solution for the miscommunication with L & S Department either by providing them with required budget so that the L & S Department will recommence with data supply, or enhancing the communication with them.
- Around 90% of project staff agrees that the internal communication between project staff and external communication with other stakeholders are efficient and reaches the ideal degree.
- The examiner has observed that the project staff is fully qualified, and have stupendous capabilities which enable 8 project staff to develop such compressive system. However, the examiner advises to maintain and the current team of the project, enhance them, and to be provided with a supporting staff especially in the field of IT. Promotions, incentives and encouragements are highly recommended by for these to maintain them.

3.6 Commitment to the allocated Project Budget

This criterion measures the degree of compliance between the project allocated budgets as per project agreement with UNDP and the actual disburse. The allocated budget is measured in accordance with the allocation within certain phases and stages.

At the beginning of the project it was allocated with the budget which is equal \$ 2,256,800, but after commencing with the implementation of this system extra funds was delivered to support the project as elucidated below (Refer Appendix14):

1.	MOF (2005)	\$ 115,819
2.	ASYCUDA (2005)	\$ 316,639
3.	MOF (2006)	\$ 169,491
4.	MOF (2007)	\$ 91,801
5.	MOMA (2007)	\$ 98,870
6.	UNDP (2007)	\$ 100,000

Therefore, the new total budget \$ 3,249,427. The examiner has observed that through the budget, there is no consideration for awareness campaign else in small parts of the budget which so important to be mentioned in the budget.

The examiner has noticed that there are some items that were allocated got shifted to another items.

However, the project management has controlled budget very well, but it is recommended to allocate limited support for more training, awareness, allowances...etc.

3.7 System Reporting & Security

This criterion measures the efficiency of financial and statistical reports delivered by the new tax system, and the security for data and information within the system.

To measure this criterion, the examiner focused only on assessing a random system generated reports and test the system from committee and user ends. The examiner has performed several tests to ensure the system compatibility and reporting, and it was very clear that this system is fully accurate and error free. Sample of generated reports and data was provided to the examiner who ensures the accuracy of the outcomes.

The examiner has noticed that the system is highly secured through which limited access was given to municipalities. However the first server “application server” is accessed by all municipalities while the second one “Data Base Server” is accessed only by the project IT team to ensure the existence of back up in case of losing the data on the application server.

The municipalities are connected together using leased line system. In case that the system failed down, the municipalities can solve internet connection by only paying 10 JDs to achieve this service from Jordan Telecommunication Company.

Findings & Recommendations:

- There is a strong medium of communication that has been established based on leased line hence abolishing the Public Switched Telephone Network culture. A leased line is a symmetric telecommunications line connecting two locations. Unlike traditional PSTN lines it does not have a telephone number, each side of the line being permanently connected to the other. Leased lines can be used for telephone, data or Internet services. The leased lines are usually available at speeds of 64k, 128k, 256k, 512k, 2M and higher speeds are available on alternative interfaces.
- There is a major control on the element of corruption which was deep rooted previously because of negligence of corrupted employees to adhere to the rightly established procedures. These fraudulent individuals may either not perform the duties they are originally intended to, or perform them in an improper way to detriment the municipality aims and objectives. The new system has succeeded in eliminating these aspects and focused on establishing proper property and rent processes.

- Committee members are connected all together by “Hot Help Desk” over the leased line. Moreover, if the local lines are creating problems and are not functional, the employees can easily use the internet for their work, and tax payers can pay their taxes electronically.
- The new system allows a remote access on all terminals/centers that are connected together. This helps in ensuring the following:
 - Online trouble shooting;
 - Maintaining honesty and dutiful fulfillment of the assigned responsibility on the part of the employee.
- The Ministry of Information and communication technology are approaching the committee to automate the related issues.
- To ensure that the clearance report is not subjected to any biasness, favoritism or tampering, the generation of clearance report is made to be automated. The system can automatically decide upon the status of the report whether the individual is eligible to receive the clearance report or not. A memorandum of understanding should be signed to ensure that the generated report with the original stamp of the municipality will be accepted and approved.
- No major precautions have been taken to ensure that the data and records will be recovered if unexpected calamities (e.g.: fire) are likely to occur in municipalities. It is recommended that salvaging data from being damaged or corrupted is mandatory. Proper infrastructure should be provided to maintain the data from any unexpected accidents. The examiner is highly recommending shifting one of the two servers to a different building to ensure the existence of back up in case on un-desired accidents.
- Disaster Recovery system is highly recommended.

3.8 Achievements Comparable with similar Institutions

This criterion measured the achievements of property tax project in comparison with similar organization implement similar systems nationally and internationally.

This was achieved by judging the tax system against:

- Other countries adopting similar systems, and with those delivered by property tax project in Jordan. This mainly focused on the e-government achievements in UAE & Sweden.
- Similar national institutions implement analogous systems such Jordanian Sales Tax.

The project staff ha conducted study tours to Dubai for 6 days to search the e-government of Dubai. Several visits have been conducted to different governmental firms during that period including Dubai Municipality, Police, and the custom and immigration.

The following techniques were added to the project website:

- Submitting suggestions through Internet;
- Presenting the project new through the website;
- Providing wide information through the website;
- Automatic Answering for emails;
- Re-designing and reformation of project web page.

Moreover, another study tour was coordinated with UNDP to visit Tax, and Lands & Survey Department on Sweden Kingdom. The results achieved are as elucidated below:

- Using unified tax number for people;
- Using NIN that is parallel the tax number;
- Connecting Sales and Income Department as well Lands & Survey Department
- The possibility of linking the project with Land & Survey Department using GIS system.

3.8.1 Similarities between Tax System in Jordan and ASYCUDA Project

Certain similarities have been observed by the examiner while assessing the tax systems in Jordan that are compared with ASYCUDA. Though both of them had their respective objectives, some of the achievements are found to be common to attain the desired goals; they are stated in the table below.

ASYCUDA (Automated System for Customs Data) is a programme for modernization of Customs Administrations and procedures. It has been developed by UNCTAD in Geneva and is operating or is in the process of being implemented in 80 countries worldwide. This system employs a few advanced principles that many customs administrations in developing countries have implemented. It aims at promoting investment and removes tariff and non tariff barriers that hinder the movement of goods. The most comprehensive system has been developed for the custom department of Jordan.

Similarities	Tax System in Jordan	ASYCUDA
Training	Around 45 training courses have been held for targeted groups of staff employees from FC, Municipalities, MOF, and Data Entry about the system automation and other technical aspect concerning the new system. Moreover, 4 training courses were delivered to system developer and network engineers.	Over 160 rounds of training were conducted during the phase 1 of the project which targeted participants of custom staff, representatives of clearing companies and relevant private and public institutions, departments and companies on the use of JARASH System as well as on special skills of programming and operation
Computerized System	The generation of clearance report & certificates are made automated. All relevant Client/Customer information is no more typed manually but fed in the computers in the form of a database so that they can be retrieved easily when required.	The programme aims to speed Customs clearance through the simplification and computerization of procedures, thus minimizing administrative cost borne by the business community and countries economies.
Identity/ Code	Previously, the retrieval of the data to identify the tax payer's property would be done manually which was rather time consuming. However, now the introduction of Social Security Number (SSN) or National Identity Number (NIN) has	Transparency is achieved through making custom reference files available to all system users in their updated format. In case the files are amended; the user can get a copy of the amended version

Similarities	Tax System in Jordan	ASYCUDA
	resolved these tiresome issues and made the process more prompt and uncomplicated. Its primary purpose is to track individuals for taxation purposes.	by merely connecting with the server through computer Network or Phone Lines. Of the most important reference files are the computerized integrated tariff tables, currency exchange rates, procedure codes, country codes, mode of transport codes and package codes.
Simplify Procedures and Improve Revenue Collection	A healthy tax system will aid in generating more revenue so as to raise money to spend on roads, schools and hospitals, enforcement of law and public order, protection of property, economic infrastructure, public works, social engineering, and on more indirect government functions like good regulation or justice systems. The automated systems can further simplify the procedures that previously were tedious and lengthy.	The useful features of the JARASH System, building of integrated tariff tables, system development, scrutinizing of documents, monitoring transit movements etc will aid in simplifying the custom procedures and will improve the efficiency, speed and attainment of the planned goals.
Version of Oracle	A user friendly system is developed which facilitate the procedures for tax payers. The system has been designed based on the version Oracle9i, and was changed to Oracle10g. The use of the system J -developer adds value to the system to include web enabled, and web bused that facilitate the submission the service through the internet.	JARASH- Standard Oracle 8i database and Sco UnixWare 7.11 operating system are used on Intel Pentium Platform servers. Two server are installed for each site with an external (RAID – 5) storage
Management & Employee Satisfaction	Improved Tax system can yield in providing management & employee satisfaction. Ensured more efficiency and productivity leading to a healthy work environment and motivating employees to be more dedicated in their services and receive rewards and benefits.	Through the implementation of the JARASH system the custom department is aiming to achieve the satisfaction in easy transfer of goods to and fro and removing the tariff and non tariff barrier that hinder the process. This can save the time of the custom officer and the truck/lorry drivers so they can smoothly

Similarities	Tax System in Jordan	ASYCUDA
		delivered the required good to the appropriate destination. The custom department is indeed impressed with the system and its efficiencies.
Clearance Report / Clearance Unit	In order to enforce people to pay their taxes, a tax clearance report is needed for issues that may involve the consent or approval of the municipality. The report evidences the payment by the taxpayer of all taxes and charges. This includes tax, interest, penalties, fees, charges, and other liabilities an individual has incurred while in existence or operating in Jordan. This helps in elimination of fraudulent elements and corrupted individuals.	The Clearance Units are responsible for supervising, controlling and administering of documents, inspection of goods, please of goods, risk management, targeting techniques etc so that there is more accuracy, less discrepancies and division of work load. These help in eliminating any illegal entry activity or detect any individual who is not abiding the custom procedures and violating them.
Evaluation & Recommendations	Evaluation has been conducted to assess whether the project has aided in the actual improvement of the tax processes and acquired client/staff satisfaction. Project Examiner Hadeel Al Masri presented her recommendations pertaining to important factors that can render in establishing thorough professionalism and more stability so as to attain the desired result refine the existing techniques and enhance room for productivity in the Taxation system.	In depth evaluations has been conducted to assess the success that was made in achieving the objectives. Evaluators from UNCTAD, UNDP and Customs Department recommended the roll out of the system to the rest of the customs offices in light of the great success achieved in Phase 1.

3.8.2 Other noted similarities present in both the systems are as follows

- Building an efficient Management Information system.
- Providing the relevant or linked institutions/municipalities with the required data.
- Establishing Archiving system and updating reference date.
- Emphasis on collecting and computing taxes - As observed in both the projects either through implementing the new tax system in Jordan's municipalities or through established integrated tariff tables as in custom

department that can compute most of the tax fees and foreign trade statistics.

- Improving the economical condition of Jordan and bringing innovation so that the country can progress towards advancement and growth.
- Eliminating the aspect of favourism and corruption and established a strong and controlled system for productivity and following the best established policies and procedures practices.

3.9 Other Overall Findings, Risks, and Recommendations

A) Due to political instability and prevalence of favouritism/biasness, often abrupt decisions are taken to replace an existing employee. This is far more expensive than making employees feel like they have a stake in the municipality and its success. This can give rise to major risks that can hinder with the smooth functioning of the processes and would cost the following:

- Loss of time that was invested in training the previous employees and cost;
- Loss of knowledge possessed by the previous employees which had helped in proficient and competent handling of process for speed and accuracy;
- Loss opportunities, clients and customer dissatisfaction while positions remain unfilled because time would be spent in interviewing candidates and training new ones;
- Decrease in the level of productivity;
- Recruiting costs and fees involved in finding replacements;
- Wages and salaries paid to new employees during training and before they know how to do the job;
- Supervising new employees until they know how to do the job;
- Losses due to mistakes & errors by new employees and disruptions of transition as he/she is not yet an expert at it.

Moreover, a lot of time and cost will be exhausted in shifting the whole office from one floor to the other or another building for that matter if the Mayor decides to reallocate the office according to his willingness ignoring the importance of the system.

B) Earlier, the selection of the Mayor was based on the decision of appointing a well knowledgeable individual suitable to handle the challenging responsibilities of the post. Mostly, well educated, proficient and a high caliber candidate were appointed that reduced the risk of faulty decision making and disorganized execution of authority.

However currently, the former practice has been abolished and the Mayor is selected through elections which include the casting of votes by the public to appoint a candidate they deem appropriate to solve their problems. This democratic display has lead to the involvement of further risk that may sabotage the smooth decision making and management of all the vital issues in the municipality. It has been observed that the nominated individual occupying the position lacks the basic skills of being organized, creative, enthusiastic and driven by excellence. He is deficient in displaying professionalism and rendering

essential knowledge to solve problems and make healthy decision with high level of accuracy.

Previously, the Mayor displayed strictness on tax issues and enforced the people to pay their due taxes. But owing to the current trend of electing a peoples choice Mayor, it is anticipated that the Mayor will show leniency in tax related matters and would not make obligatory the payment of taxes. This detrimental perception will cause people to relax and kill the sole purpose of the awareness campaign which aims at benefiting the society and its infrastructure.

C) The examiner highly advices on designing the tax services and the building interiors and décor across all municipalities just like those present in Banks. This can help create a safe working environment and display professional attitude that may attract clients and signify the municipality's interest in providing valuable services.

D) The examiner observed that the IT infrastructure provided to certain municipalities are not maintained from the date of delivery which is in some cases exceeds 2 years. So it is highly recommended to encourage all municipalities to perform maintenance to its IT infrastructure by signing a maintenance contacts IT support supplier.

E) The examiner has noted that the agreements signed with different parties have added a great influence and value to the success of the project through reducing the costs, improve quality, and time reduction.

F) The examiner has found that the culture and the mentality are the main hinder for the application and success progress of the project. This is highly observed in small town and the southern area Jordan. A comprehensive awareness campaign is highly recommended.

4.0 Significance of Assessment and Evaluation

Upon analyzing and assessing the state of affairs that currently prevail after the implementation of the new system, to acknowledge whether it had aided in the actual improvement of the tax processes and acquired client/staff satisfaction, the examiner deems it vital to provide a briefing about her recommendations and the overall factors that need to be particularly considered for improved performance.

The stated recommendations and focused aspects may for the future positively render in establishing thorough professionalism and more stability so as to attain the desired result, refine the existing techniques and enhance room for productivity in the Taxation system.

The procedure followed by the examiner for conducting interviews and meetings adheres to the best established practices of assessment and evaluation. Feedback was gained by traveling to various locations within Jordan and personally convening with certain eminent dignitaries, management of the municipalities, staff/employees and customers. Amongst the various places visited by the examiner the following hold a strong significance as they were treated as random sample for the analysis - Irbid, Taybeh, Deer Abu Saeed, Al Russeifah, Balamma, Al Zarka, Ajloon and Jaresh.

4.1 *Indispensable Aspects for Consideration*

A) Present Shape & Design of the Municipality Tax Department Office

The deteriorating façade of the municipality buildings and their interiors is evidence strong enough to bring forth the poor maintenance and negligence displayed by not focusing on allotting budget for furniture and IT equipments. Such ignorance has resulted in making the working environment within the municipality a threat to all the employees and creates an unhygienic feel that may be an inconvenience to any visiting customer or client.

- The examiner observed that the furniture's and the décor inside the municipalities were presenting a rather scruffy and unkempt picture hardly meeting the standard working conditions.
- The tables were not firmly placed and could hardly support the weight of the computers placed on top off them.
- All files and records were not been properly handled or taken care off. Either they were carelessly lying on the floor or stacked on un-indexed shelves and in some cases were used as a replacement for tables.

- Clients or Customers were found sitting on the staff chairs since there was no appropriate waiting or reception area for that matter. This intern posed a threat to the data security as the clients could easily view the work on the computer desktop and access highly confidential information authorized for staff use only.
- No major precautions have been taken to ensure that the data and records will be recovered if unexpected calamities (e.g.: fire) are likely to occur.

RECOMMENDATIONS

- The examiner highly advises on designing the tax services and the building interiors and décor across all municipalities just like those present in Banks. This can help create a safe working environment and display professional attitude that may attract clients and signify the municipality's interest in providing valuable services.
- A financial budget should be allocated for all the municipalities that will be for the sole purpose of providing appropriate furniture's and IT equipments to improve performance and efficiency.
- It is recommended that in order to salvage data from being damaged or corrupted the municipality should focus on having skilled technical staff, customized tools and fire proof shelves acting as essential requisites for good data recovery. This will ensure that the municipality can easily retrieve the required data without any dilemma.

B) Management's Outlook About the New System

Upon convening with the managements of all the municipalities, the examiner made a general observation about the new system and that is its ability to attain satisfaction from the management's side. They highly appreciated the efficiency, accuracy and speed of the new system and were extremely delighted with the automization and the innovative technique to improve the taxation system in Jordan as per the best practices. Less error and the excellent quality of reports that are being generated are factors most appealing to all the members of the Management as this can prove that the system is more reliable.

- The introduction of the new system has had its effect on the number of employees. The number of staff before the implementation of the system was found to be higher than the present. Machine capabilities replaced manual efforts for enhanced productive growth.

- The examiner specifically observed that the speed of service in the queue was far more improved than the previous state. The time taken to attend each customer by the staff member was approximately 5 minutes making it indeed an impressive achievement.
- Taxes paid before the introduction of the system were less as compared to the results now (Refer to section 3.1.6.3).
- Satisfying evidence was gathered by the examiner that the staff was professionally trained on the new system. Technical training was also provided to effectively use the system and know about the concepts, collection and evaluation pertaining to tax issues.

RECOMMENDATIONS

- The examiner highly recommends that Periodic training is important for all the staff members. Periodic Training would aid in expanding on the existing knowledge and skills of each employee to ensure that they continue to be confident and efficient.
- However, it is necessary to note that providing the training just once may not be very fruitful in the long run. Trained employees may at some point retire, get terminated or decide to quit, this makes the newly appointed members a risk. There is a need for continuous training and awareness about the new system amongst the employees so that they can remain updated with the progress of IT developments and newly created software to make the system more efficient.
- Often new staff members rely on their seniors to adopt the methodologies and techniques practiced within the organization. It is not always necessary that the information provided by the supervisor or college is reliable. It can be subjected to improvement or correction. To ascertain that the new employees can understand the procedure out right it is vital to conduct training to refresh the developments and currently practiced procedures.
- After performing some of the visits, the examiner noticed that not all the municipalities are using each and every features present in the system, especially the clearance report. The reason provided was that the municipalities have not by far completed a full cycle tax period. It is important that their should be an enforcement making it obligatory on all municipalities to automate the system and specifically the clearance report aspect as it will yield in:-
 - a) Maximizing financial returns
 - b) Rendering more accuracy

- c) Eliminating the element of personal favourism and decisions will be solely based upon the system. At this point it should be considered significant that the municipalities need to communicate with other governmental departments for the accepted format of the clearance report. It has been verified that certain governmental departments firmly disapprove the current format of the generated report. There should a mutual agreement regarding this aspect and a Memorandum of Understanding should be issued between municipalities and governmental departments so that this problem can be solved without rejection and delay.
- d) The tax teams of municipalities need to update all personal information of the customer and not rely on committee members.

C) Other Vital Observations

- **Estimation Committee** – Presently there is no related education or training being provided to any appraised team members about the knowledge of the existing real estate market in Jordan and their recent developments. This should create a hinder if not focused on for improved performance.
- **Favourism** - Personal favourism and preference can still take its toll on many important decisions. Therefore, it is highly recommended that in order to avoid these drawbacks that corrode the work environment, appraising of members should be done from different cities. This will reduce favourism and encourage the judgments based on logic and prevailing facts.
- **Publicity** - Not enough internal publicity is found between the main centre and the subsidiary villages. There is a need to publicize and create awareness amongst the people in the village to that they would know how their taxes are been utilized for the growth and improvement of their own village and country.
- **Trained Staff** - Sustainability of the trained staff is very crucial. Extrinsic rewards should be provided as increase in allowance and salary. Intrinsic rewards should be in the form of motivation, praising the excellent performance and providing a healthy work environment.
- **Manual Update** - The Department of Planning has to provide electronic period report so no manual update is required and hence less error would be generated. This will give way to only transactions and collection.
- **Maintenance** – There is absolutely no attention being paid to maintenance of all the electronic equipments especially the computers. If any fault is to occur, it will prevent the occurring work activities to further progress and cause wastage of time and delay.

- **Personal Computers** – The number of pc's provided to the staff should be increased to produce more efficiency. It has been observed that the employees share the pc amongst themselves so in order for one person to finish his/her work; the other has to wait patiently.
- **Personal Digital Assistance** - Using a PDA is highly suggested by the examiner. It can aid in generating appraisal figures automatically and very efficiently within a short span of time. Further, greatly reduce the amount of paper that are shuffled and carried around by the employees. A regular backup of PDA held data onto the computer screen can also be done.
- **Leased Line** – The municipality has failed to pay the bill/invoice that connects it with the Head office. This can be solved by a decree from the Minister of Municipal Affairs. He is required to pay the entire amount as a single payment and later, this amount will be deducted from the municipality accordingly.
- **Internet** - As observed, some of the villages do not possess the leased line service so it is suggested that they should be provided with internet facility. This can aid in keeping them connected with the Head Office and the related financial departments.
- **Selection of Mayor** – Earlier, the selection of the Mayor was based on the decision of appointing a well knowledgeable individual suitable to handle the challenging responsibilities of the post. However currently, the former practice has been abolished and the Mayor is selected through elections. This democratic display has lead to the involvement of further risk as an individual who is deficient in displaying professionalism and rendering essential knowledge to solve problems is nominated. Further, the Mayor shows leniency in tax related matters and would not make payment of taxes obligatory since he is a people's choice Mayor. This critical issue according to the examiner needs to be focused upon to appoint a professional individual who is loyal to his duties and responsibilities.
- **Agreements** - The examiner has noted that the agreements signed with different parties have added a great influence and value to the success of the project through reducing the costs, improve quality, and time reduction.
- **Culture** - The examiner has found that the culture and the mentality are the main hindrances for the application and successful progress of the project. This is highly observed in small town and the southern area Jordan. A comprehensive awareness campaign is highly recommended.

4.2 Final Conclusion

After conducting a comprehensive evaluation for the project, the examiner is immensely pleased in stating that a significant and innovative step has indeed been taken by the Ministry of Finance in coordination with UNDP to improve the efficiency and productivity of the tax systems prevailing in Jordan. This pioneering move will not only aid in rendering satisfaction and economical growth but will also yield in establishing a healthy image of taxes and their derived benefits in the minds of the citizens. The phase 1 of the project shows great potential and by far has been successful in fulfilling all the aspired objectives. However, the examiner strongly emphasizes upon the highlighted recommendations and focused aspects that may for the future positively render in establishing thorough professionalism and more stability. Significantly, it is further suggested to proceed with the commencement of phase 2 of the project as this radical step possesses the caliber to add value to the present taxation system and boost the economy thus introducing an era of change and advancement.